

# COMMONWEALTH OF KENTUCKY AUDITOR OF PUBLIC ACCOUNTS

## KENTUCKY JAILERS' ASSOCIATION TWENTY-FOURTH ANNUAL IMPROVEMENT CONFERENCE

JUNE 7, 2006



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# Kentucky Jailers' Association 24th Annual Jail Improvement Conference

## Report from the State Auditor: Kentucky Jails - A Financial Overview

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## The Jail Survey Process

- Consultation with Kentucky Jailers' Association; County Judge/Executive Association; Magistrates and Commissioners Association; Kentucky Association of Counties; Governor's Office for Local Development; and the Department of Corrections
- Test survey instrument with designated jailers
- Administer survey in person with jailers; treasurers
- Analyze data; reconcile with reports filed with GOLD; revisit jailers when data looks out of line
- This data is your data

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## Building Blocks: Revenues and Expenses

Crittenden County Detention Center Statement of Revenues, Expenditures, and Funding From Fiscal Court	
Fiscal Year Ended June 30, 2005	
<u>Operating Revenues:</u>	
Bed Allotment - State	\$ 27,499.91
Board - Housing Jail	21,225.00
Booking Fees - Prisoner	5,995.50
Court Costs - Circuit	3,291.39
Court Costs Supplement	8,202.56
DUI Fees	1,343.17
Jail Bond Acceptance Fees	1,558.00
<u>Expenditures:</u>	
Capital Projects/Debt Service/Lease Agreements	\$ 11,965.28
Cleaning Supplies	588.76
Food, Food Preparation and Equipment	19,601.96
Furniture and Fixtures	150.00
Housing Prisoners	703.10
Inmate Clothing, Linens and Hygiene	60.17
Juvenile Expenses	3,138.83
Maintenance and Repairs - Buildings and Equipment	69,933.20

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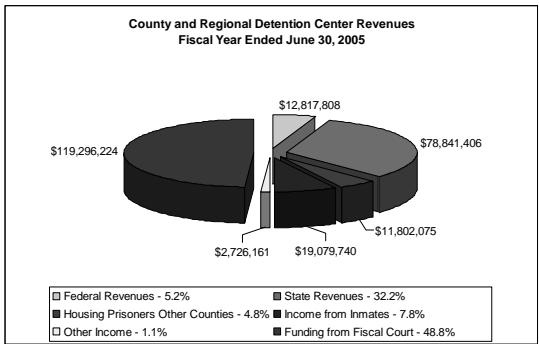
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## Building Blocks: Statewide Revenue Sources



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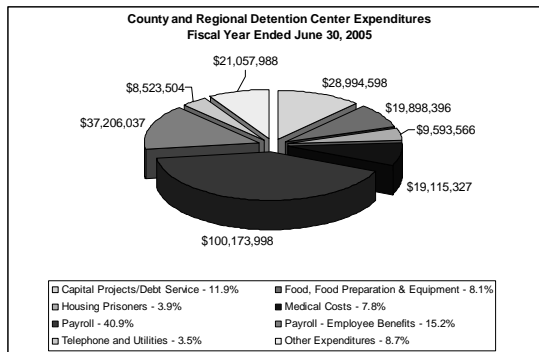
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## Building Blocks: Statewide Expenditures



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## Many Jailers Have Effective Management Techniques

- Forty-one counties had a daily inmate cost less than the state's reimbursement rate of \$30.51.

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Jail Costs Vary Widely

- Cost per day: \$19.00 to \$84.44
- Average cost: \$36.25
- Median cost: \$31.65

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Operating Costs

Operating costs are total costs less debt service and capital costs

- Range: \$16.69 to \$77.74
- Average operating cost: \$33.07
- Median operating cost \$27.24

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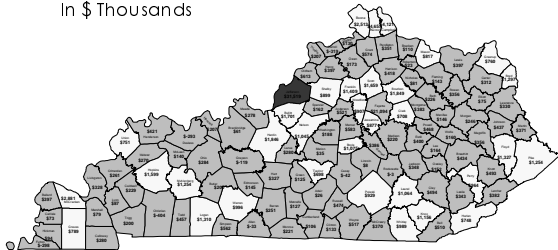
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Funding From County Governments  
To Meet Jail Expenditures Or (Gain On Operations)  
In \$ Thousands



	Range	%	Count
	-484 - 614	70.83	85
	608 - 4,656	27.50	33
	21,894 - 21,895	0.83	1
	31,519 - 31,519	0.83	1

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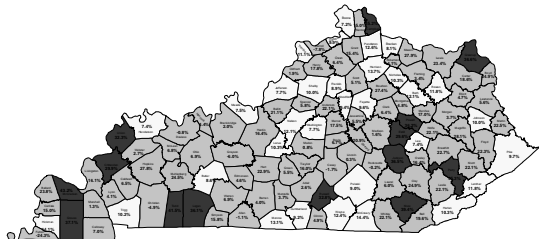
## Funding From County Governments

Kentucky Jail Costs  
Funding From County Governments  
To Meet Jail Expenditures Or (Gain On Operations)  
Ranking High To Low

Fiscal Year Ending June 30, 2005

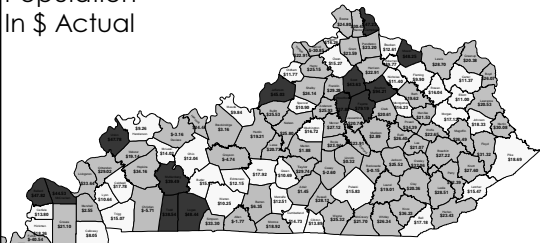
County	Revenues	Expenditures	Funding From County Governments To Meet Jail Expenditures or (Gain on Operations)
Louisville Metropolitan	\$ 7,704,419.00	\$ 39,223,412.02	\$ 31,518,993.02
Lexington Fayette Urban			
County Government	5,567,609.00	26,661,638.00	21,094,029.00
Kenton	2,577,705.00	7,232,936.00	4,655,231.00
Campbell	1,064,700.31	5,185,624.42	4,120,924.11
McCracken	2,191,930.51	5,073,263.43	2,881,332.92
Boone	1,670,347.49	4,183,641.62	2,513,294.13
Bourbon	539,552.63	2,388,219.50	1,848,666.87
Hardin	4,246,856.63	6,092,530.52	1,845,673.89

## Percentage of General Fund Budget To Meet Jail Expenditures



Range	%	Count
24.3 - 7.2	34.17	41
7.3 - 15.0	26.67	32
15.1 - 29.1	27.50	33
29.6 - 48.3	11.67	14

## Per Capita Contribution Per County Population In \$ Actual



Range	%	Count
40.54 - 7.35	12.50	15
8.92 - 18.92	36.83	37
18.93 - 27.23	45.83	45
27.83 - 94.21	10.83	13

# Kentucky Jailers' Association 24th Annual Jail Improvement Conference

## System of State Prisoner Funding: Winners and Losers

- Thirty-one counties pay \$9,992,307.
- Thirty-eight counties and regional jails earned \$7,380,731.
- This funding system shifts a significant financial burden from state taxpayers to some county taxpayers.

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## System of State Prisoner Funding: Winners and Losers

Detention Center	County Inmate Cost Per Day	State Inmate Days	County Subsidy Per Inmate Cost Per Day	Total County Subsidy For State Inmates
Shelby	\$ 49.32	16,425	\$ 18.81	\$ 308,954.25
Simpson	35.54	49,275	5.03	247,853.25
Todd	55.12	3,285	24.61	80,843.85
Woodford	53.06	11,010	22.55	248,275.50
Total	\$ 1,357.40	908,885	\$ 411.59	\$ 9,992,307.17
Average	\$ 43.35	30,190	\$ 12.84	\$ 336,261.95
Median	\$ 37.80	16,425	\$ 7.29	\$ 132,684.80

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## Employee Benefits Statewide Are Equal to 37.1% of Payroll

<u>County</u>	<u>Payroll</u>	<u>Benefit Cost</u>	<u>Ratio</u>
Mason County	\$682,493	\$460,856	67.5%
Scott County	\$891,027	\$543,497	61.0%
Kenton County	\$3,035,062	\$1,798,732	59.2%
Pulaski County	\$1,032,162	\$605,821	58.7%
State	\$100,173,998	\$37,206,037	37.1%

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## Food Costs

- Costs ranged from 0.65 to \$4.66 per meal.
- Average cost per meal: \$1.55.
- Inmate food cost is approximately 9.23% of the operating costs of the jail.

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## The Burden of Medical Care is not Evenly Distributed

	<u>Medical Costs</u>	<u>Net Un-reimbursed</u>	<u>% Un-reimbursed</u>
Closed Jails	\$910,656	\$721,816	79.3%
Open Jails	\$12,178,042	\$5,514,129	45.3%
Lexington	\$2,970,520	\$2,871,460	96.7%
Louisville	<u>\$3,700,000</u>	<u>\$3,525,126</u>	<u>95.3%</u>
Totals	\$19,759,218	\$12,632,531	63.9%

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## Some Counties Profit...

County	Medical Costs	State Inmate Fee	Other State Medical Payments	Net Profit from Medical Payments
Allen County	17,271	33,490	2,104	18,323.08
Fulton County	253,286	148,609	181,617	76,939.70
Wayne County	122,039	77,187	74,330	29,478.00

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## Does Jail Expansion Make Sense?

Many counties believe that by expanding their jails and attracting more state inmates they can reduce the overall financial burden of their jail. Any county which has an inmate daily cost greater than the state reimbursement rate cannot reduce the net cost of its jail without significant managerial and facility changes.

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## Jail Overcrowding

The state's practice of leaving state prisoners in the county jails (Controlled Intake) or placing state prisoners in county jails (Class D felon program) either exacerbates or causes overcrowding in 53 of the state's 73 full service and regional jails.

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## Establish A Unified Corrections System

The lack of an integrated corrections system including the county jail means imbalance in the geographical distribution of facilities, the loss of opportunity for the development of programming for subsets of the inmate population, such as drug or alcohol abuse programs, unfair cost shifting to some local governments, and lost opportunity for improved efficiency and cost savings.

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## Interim Recommendations

- Develop and implement uniform jail financial management system
- Maintain a cumulative population report for each detention center
- Explore restructuring the state prisoner per diem fee
- New construction only after Corrections and GOLD approval
- Life Safety Jails: evaluate the long-term financial burden

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## Interim Recommendations

- Thorough review of medical practices
- Review and adjust state's funding formula for medical expenses
- Review inmate fees and accounting practices
- Use competitive bidding or documented price comparisons for food purchases
- Telephone service transactions reported to the Fiscal Court
- Jail efficiency audits

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## Jail Survey - Best Practices

- Sign a flat rate agreement with a local medical provider or use a managed healthcare provider.
- Have nurse or doctor on staff 5 days a week and on call on weekends to examine patients before they are sent to hospital.
- Hire a medical consultant to review policies, procedures and medical bills.
- Cut back pharmaceutical costs.
- Have food suppliers submit weekly or monthly bids/pricing schedules.

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## Jail Survey - Best Practices

- Buy food, pharmaceuticals, supplies, equipment or other necessities in bulk when possible.
- Regulate overtime by enforcing policy that overtime must be approved if deemed absolutely necessary or use part-time employees to decrease overtime costs.
- Track all charges with a computer system and start a small claims process or turn overdue fees over to a collection agency.

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## Jail Survey - Best Practices

- Keep transportation costs low by actively seeking reimbursement for transportation to state facilities, keeping close track of all mileage registered on vehicles, and buying used vehicles.
- Have inmates assist in operational procedures, whether daily or project based. Inmates qualified to participate in operational procedures can serve as a source of labor assistance, thereby helping to reduce the overall payroll costs.

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## What's Next?

- The next audit period will be from July 1, 2005 through June 30, 2006.
- Based on the results of the survey, we will be conducting additional audit procedures.
- We will be reviewing 7 different areas, if those areas are applicable to your jail.

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# Kentucky Jailers' Association 24th Annual Jail Improvement Conference

## Jail Addendum

- Housing Prisoners For Other Counties
- Income From Inmates
- Accounts Receivable of Delinquent Fees
- Medical Bills
- Food Purchases and Inventory
- Telephone Commissions
- Department of Corrections – Billing Statement

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## Jail Addendum

- We tested the Jail Addendum in 3 different counties (large and small).
- Their written policies and procedures are included on the CD enclosed in the training material.
- If you use these samples as guides, please review the policies and procedures carefully.
- ***Edit the policies and procedures so that they meet your requirements.***

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## Housing Prisoners For Other Counties

### Sample Policy Statement

Invoices prepared for "Housing Prisoners For Other Counties" are accurate and have supporting documentation. The invoices are sent to the contracting county on a monthly basis. Payments from the contracting county are received by the jail and are remitted to the County Treasurer. Payments are properly determined and deposited. Bills are prepared based on accurate, supporting documentation.

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## Housing Prisoners For Other Counties

- Audit Objective - Payment is properly determined and deposited; bills are prepared based on accurate, supporting documentation.
- Are there written policies and procedures in place for billing other counties for housing inmates?
- Describe the county's tracking of inmates from other counties.

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## Housing Prisoners For Other Counties

### Standard Recommendations-

- The jail should implement policies and procedures for tracking inmates from other counties to ensure correct billing.
- The jail should prepare monthly billing statements to other counties for housing its prisoners.

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## Income From Inmates

### Sample Policy Statement

The jail follows and consistently applies the fee schedule adopted by the fiscal court to the charges against residents. The jail uses pre-numbered receipts to evidence the receipt of fees by inmates or others. The accounting system identifies all revenue and charges made to a resident's account. Residents are determined to be indigent if they do not have any funds for 30 days. However, residents are given personal hygiene kits if they do not have any money before the 30-day period.

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## Income From Inmates

- Audit Objectives - Income from inmates is being properly collected; income from inmates is collected consistently; cash payments are properly receipted.
- Are there policies and procedures in place for booking inmates?
- Are pre-numbered receipts in use?
- Are receipt ledgers or ledger cards or inmate accounts maintained?

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## Income From Inmates

- Is the booking of inmates videotaped?
- Are all applicable fees (booking, housing, medical) charged to all inmates?
- Does the jail have a fee schedule?
- Does the jail have a policy for determining whether or not an inmate is indigent?

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## Income From Inmates

### Standard Recommendations

- The jail should implement and follow the fee schedule adopted by the Fiscal Court.
- The jail should use pre-numbered receipts to evidence the receipt of fees from inmates.
- The jail should consistently apply the fee schedule when charging fees to inmates.

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Income From Inmates

Standard Recommendations

- The jail should maintain an "inmates account" to identify fees charged to inmates that were not paid. This minimum information lists name, admission number, date of admission, cash deposited at admission, dates of deposits, dates of withdrawals, and balance or amount due at release. Dated pre-numbered receipts would reflect what the deposits and withdrawals were for.

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Accounts Receivable

Sample Policy Statement

The County Detention Center has an accounts receivable system in place to collect these fees. These accounts receivables are not turned over to an outside collection agency or over to the County Attorney. The jail maintains an inmate history log. If the inmate is booked in again and has any cash, these funds are applied to pay any outstanding debts.

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Accounts Receivable

- Audit Objectives - Accounts receivable from inmates is maintained and collected; a plan for collection is in place.
- Are there policies and procedures in place for tracking accounts receivable from inmates?
- Is there a collection process in place, i.e. turn over to County Attorney, staff in jail to contact former inmates, use of a collection agency?

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# Kentucky Jailers' Association 24th Annual Jail Improvement Conference

## Accounts Receivable

- Is there a periodic review of accounts receivable to determine un-collectible accounts?
- Does the jail ask inmates to sign an agreement to reimburse the detention center for any unpaid charges during the inmate's stay or upon exiting from the jail?
- Does the jail collect amounts due on accounts receivable when a former inmate returns?

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## Accounts Receivable

### Standard Recommendations

- The jail should implement policies and procedures to track and collect accounts receivable from inmates.
- The jail should implement a formal collection process, i.e. turn over to County Attorney, contract with a collection agency, or designate a staff member to actively attempt collection.

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## Accounts Receivable

### Standard Recommendation

- The jail should maintain accounts receivable records and collect amounts due from returning former inmates.

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# Kentucky Jailers' Association

## 24th Annual Jail Improvement Conference

### Medical Bills

#### Sample Policy Statement

Qualified staff will review billings before payment is made. The detention center will seek to obtain medical services and pharmaceuticals at the lowest cost available. The Detention Center Policy and Procedure Manual has a description of the policies and procedures in order for inmates to obtain medical care.

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### Medical Bills

- Audit Objectives - Medical providers, i.e. pharmacy, ER, doctors are not charging jail for unnecessary procedures, duplicate billing, or charging retail when a discount is available; proper review of bills for errors before payment.
- Does the jail get bids or quotes from different medical providers?

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### Medical Bills

- Do you have medical personnel on staff to evaluate inmates before sending them out to receive medical care?
- Has the facility negotiated a discount or adopted an adjusted fee schedule with a medical provider? Examples are the use of the Medicaid rate, Workmen's Compensation rate or a payment schedule by private insurance carriers, etc.

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## Medical Bills

- Are medical invoices reviewed by a licensed medical professional prior to payment to determine necessity?
- Have you negotiated a fee schedule or discount with local medical providers, i.e. doctors, pharmacies, hospitals?

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## Medical Bills

### Standard Recommendations

- The facility should determine if it is cost effective to arrange for regular inmate medical checkups for preventive or non-ambulatory emergency care.
- Consider having a licensed medical professional on call 24/7 to consult for any patient requiring medical care outside of the facility.

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## Medical Bills

### Standard Recommendations

- Consider hiring a medical consultant to review policies, procedures and medical bills.
- Seek the lowest price for pharmaceuticals or contract with a pharmacy to use a discounted fee schedule.
- Consider purchasing short-term medical insurance to cover inmates.

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## Food Purchases and Inventory

### Sample Policy Statement

The jail requires that food supplies be purchased at the lowest cost to the taxpayers. Inventory is secure and a physical inventory is conducted each week. Documentation is maintained to support all expenditures and inventory sheets are maintained for audit purposes.

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## Food Purchases and Inventory

- Audit Objectives - Food inventory is secure and counted periodically; jail has guidelines for purchasing food at the best possible price.
- Are bids or quotes obtained for food purchases?
- Is there a periodic inventory count of food? How often?

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## Food Purchases and Inventory

- Does the jail have written policies and procedures to get food quotes and for monitoring food consumption before ordering?
- Are food invoices reviewed prior to payment to compare quantities actually received to quantities listed on invoice?

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# Kentucky Jailers' Association 24th Annual Jail Improvement Conference

## Food Purchases and Inventory

### Standard Recommendations

- Obtain bids or quotes from competing food providers, use lowest bidder. Justify reasons for not using lowest bidder.
- Buy in bulk when possible to receive volume discounts.
- Periodically count food inventory to determine potential for loss.
- Limit access to food storage area and secure with locks or video.

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## Telephone Commissions

### Sample Policy Statement

Contracts with telephone vendors should be signed and approved by the fiscal court. All telephone commission checks are deposited in the County Treasurer bank account and posted to the Jail Fund. Any incentives provided by the telephone vendor should be appropriately accounted for.

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## Telephone Commissions

- Audit Objectives - Commissions checks are deposited in Jail Fund; incentives to jail are not abused; bills paid on behalf of jail by vendor are appropriate.
- What is the percentage the county should receive?
- What incentives are provided in the contract, i.e. equipment allowances, payment of county bills, credit for specialty products?

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# Kentucky Jailers' Association 24th Annual Jail Improvement Conference

## Telephone Commissions

- Are commission checks received and deposited by the County Treasurer?
- Is the Jailer prohibited from purchasing equipment then having the telephone vendor pay for equipment by reducing commission checks?

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## Telephone Commissions

- Standard Recommendations
- The jailer should ensure that all telephone commission checks are deposited in the County Treasurer's account for the Jail Fund.
- The jailer should ensure that any incentives provide by a telephone vendor are appropriately accounted for.
- *Contracts with telephone vendors should be with the Fiscal Court.*

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## Department of Corrections – Billing Statement

### Sample Policy Statement

The jail reconciles any difference between the invoice sent to the Department of Corrections and the amount paid to the jail. Efforts are made to obtain all funds due to the jail by re-submitting claims when necessary.

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Department of Corrections – Billing Statement

- Audit Objective - Jail reconciles differences between amount billed to DOC and amount paid to jail.
- How does the jail reconcile and resolve differences noted between DOC payments and bills prepared by the jail?

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Department of Corrections – Billing Statement

Standard Recommendation

- The jailer should reconcile State inmate billing statements to DOC payments. Adjustments should be explained.

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## **JAIL ADDENDUM FOR FISCAL COURT AUDITS**

### **HOUSING PRISONERS FOR OTHER COUNTIES**

**Audit Objective** - Payment is properly determined and deposited; bills are prepared based on accurate, supporting documentation.

**Audit Steps -**

1. Determine if this area is material to the jail by comparing revenue from this funding source to total revenue for the jail.
2. If material, proceed to step 3 under this heading. If not, document and skip this section.
3. Obtain an understanding of the billing and collection policies and procedures in this area. Document this in a memorandum using the answers from the questions below as a guide.

- Are there policies and procedures in place for billing other counties for housing inmates?
- Describe the county's tracking of inmates from other counties.

*If this documentation reveals inherent weaknesses, such as no consistent policy or procedure is in place or no documentation available to test, document and proceed to writing finding. No further testing is necessary.*

If policies and procedures are in place, consider performing one or more of the following tests.

4. Trace amounts from source documents to billing statement.
5. Compare billing statement to amount deposited for discrepancies.

**Standard Recommendations for this area -**

1. The jail should implement policies and procedures for tracking inmates from other counties to ensure correct billing.
2. The jail should prepare monthly billing statements to other counties for housing its prisoners.

### **INCOME FROM INMATES**

**Audit Objectives** - Income from inmates is being properly collected; income from inmates is collected consistently; cash payments are properly receipted.

**Audit Steps -**

1. Obtain an understanding of the billing and collection procedures in this area. Document this in a memorandum using the answers from the questions below as a guide.
  - Are there policies and procedures in place for booking inmates?
  - Are pre-numbered receipts in use?



**JAIL ADDENDUM**  
**(Continued)**

**INCOME FROM INMATES (Continued)**

**Audit Steps - (Continued)**

- Are receipt ledgers or ledger cards maintained?
- Is the booking of inmates videotaped?
- Are all applicable fees (booking, housing, medical, etc.) charged to all inmates?
- Does the jail have a fee schedule? (Obtain a copy)
- Does the jail have a policy for determining whether or not an inmate is indigent?

Describe the jail's procedures for charging fees to inmates.

*If this documentation reveals inherent weaknesses, such as no consistent policy or procedure is in place or no documentation available to test, document and proceed to writing finding. No further testing is necessary.*

If policies and procedures are in place, consider performing one or more of the following tests.

2. Test a sample of inmates to determine whether all appropriate fees, based on the jail's fee schedule, are collected or charged.
3. Trace collections per daily receipts to deposit.
4. Trace daily receipt to jail fund to determine if deposited into correct fund and whether it was timely.

**Standard Recommendations for this area -**

1. The jail should implement and follow the fee schedule adopted by the Fiscal Court.
2. The jail should use pre-numbered receipts to evidence the receipt of fees from inmates.
3. The jail should maintain an "inmates account" to identify fees charged to inmates that were not paid. This minimum information lists name, admission number, date of admission, cash deposited at admission, dates of deposits, dates of withdrawals, and balance or amount due at release. Dated pre-numbered receipts would reflect what the deposits and withdrawals were for.
4. The jail should consistently apply the fee schedule when charging fees to inmates.

**JAIL ADDENDUM**  
**(Continued)**

**ACCOUNTS RECEIVABLE OF DELINQUENT FEES**

**Audit Objectives** - Accounts receivable from inmates is maintained and collected; a plan for collection is in place.

**Audit Steps** -

1. Obtain an understanding of the billing and collection procedures in this area. Document this in a memorandum using the answers from the questions below as a guide.

- Are there policies and procedures in place for tracking accounts receivable from inmates?
- Is there a collection process in place, i.e. turn over to County Attorney, staff in jail to contact former inmates, use of a collection agency?
- Is there a periodic review of accounts receivable to determine un-collectible accounts?
- Does the jail ask inmates to sign an agreement to reimburse the detention center for any unpaid charges during the inmate's stay or upon exiting from the jail?
- Does the jail collect amounts due on accounts receivable when a former inmate returns?

Describe the jail's procedures for tracking and collecting accounts receivable.

*If this documentation reveals inherent weaknesses, such as no consistent policy or procedure is in place or no documentation available to test, document and proceed to writing finding. No further testing is necessary.*

If policies and procedures are in place, consider performing one or more of the following tests.

2. Examine accounts receivable records for evidence of collection efforts.
3. If the jail uses a collection agency, view the collection report for reasonableness.

**Standard Recommendations for this area** -

1. The jail should implement policies and procedures to track and collect accounts receivable from inmates.
2. The jail should implement a formal collection process, i.e. turn over to County Attorney, contract with a collection agency, or designate a staff member to actively attempt collection.
3. The jail should maintain accounts receivable records and collect amounts due from returning former inmates.

**JAIL ADDENDUM**  
**(Continued)**

**MEDICAL BILLS**

**Audit Objectives** - Medical providers, i.e. pharmacy, ER, doctors are not charging jail for unnecessary procedures, duplicate billing, or charging retail when a discount is available; proper review of bills for errors before payment.

**Audit Steps -**

1. Obtain an understanding of the policies and procedures in place for reviewing and payment of medical bills. Document this in a memorandum using the answers from the questions below as a guide.
  - Does the jail get bids or quotes from different medical providers?
  - Do you have medical personnel on staff to evaluate inmates before sending them out to receive medical care?
  - Has the facility negotiated a discount or adopted an adjusted fee schedule with a medical provider? Examples are the use of the Medicaid rate, Workmen's Compensation rate or a payment schedule by private insurance carriers, etc.
  - Are medical invoices reviewed by a licensed medical professional prior to payment to determine necessity?
  - Have you negotiated a fee schedule or discount with local medical providers, i.e. doctors, pharmacies, hospitals?

Describe the jail's procedures for reviewing and payment of medical bills.

*If this documentation reveals inherent weaknesses, such as no consistent policy or procedure is in place or no documentation available to test, document and proceed to writing finding. No further testing is necessary.*

If policies and procedures are in place, consider performing one or more of the following tests.

2. Determine whether documentation exists to evidence medical evaluations and review of medical bills by knowledgeable person or that medical bills have been negotiated.
3. Determine whether a fee schedule has been negotiated and/or contract for service exists with local medical provider or pharmacy.

**Standard Recommendations for this area -**

1. The facility should determine if it is cost effective to arrange for regular inmate medical checkups for preventive or non-ambulatory emergency care.
2. Consider having a licensed medical professional on call 24/7 to consult for any patient requiring medical care outside of the facility.
3. Consider hiring a medical consultant to review policies, procedures and medical bills.

## **JAIL ADDENDUM**

(Continued)

### **MEDICAL BILLS** (Continued)

#### **Standard Recommendations for this area -**

4. Seek the lowest price for pharmaceuticals or contract with a pharmacy to use a discounted fee schedule.
5. Consider purchasing short-term medical insurance to cover inmates.

### **FOOD PURCHASES AND INVENTORY**

**Audit Objectives** - Food inventory is secure and counted periodically; jail has guidelines for purchasing food at the best possible price.

#### **Audit Steps -**

1. Obtain an understanding of the policies and procedures in place for purchasing food, i.e. bids or quotes obtained, and maintenance of inventory. Document this in a memorandum using the answers from the questions below as a guide.
  - Are bids or quotes obtained for food purchases?
  - Is there a periodic inventory count of food? How often?
  - Does the jail have written policies and procedures to get food quotes and for monitoring food consumption before ordering?
  - Are food invoices reviewed prior to payment to compare quantities actually received to quantities listed on invoice?

Describe the jail's procedures for food purchasing and maintenance of inventory.

*If this documentation reveals inherent weaknesses, such as no consistent policy or procedure is in place or no documentation available to test, document and proceed to writing finding. No further testing is necessary.*

If policies and procedures are in place, consider performing one or more of the following tests.

2. Review food receipts or invoices for reasonableness in amounts purchased.
3. Determine that a food inventory list is maintained and there is evidence of a periodic count.

**JAIL ADDENDUM**  
**(Continued)**

**FOOD PURCHASES AND INVENTORY (Continued)**

**Standard Recommendations for this area -**

1. Obtain bids or quotes from competing food providers, use lowest bidder.
2. Buy in bulk when possible to receive volume discounts.
3. Periodically count food inventory to determine potential for loss.
4. Limit access to food storage area and secure with locks or video.

**TELEPHONE COMMISSIONS**

**Audit Objectives** - Commissions checks are deposited in jail fund; incentives to jail are not abused; bills paid on behalf of jail by vendor are appropriate.

**Audit Steps -**

1. Obtain a copy of the telephone commissions contract.
2. Analyze the contract and determine what the contract terms are. Document this in a memorandum using the answers from the questions below as a guide.
  - What is the percentage the county should receive?
  - What incentives are provided in the contract, i.e. equipment allowances, payment of county bills, credit for specialty products?
  - Are commission checks received and deposited by the County Treasurer?
  - Is the Jailer prohibited from purchasing equipment then having the telephone vendor pay for equipment by reducing commission checks?

Describe the jail's procedures for handling telephone commissions.

If commission checks are not deposited by County Treasurer in the Jail Fund, perform step 3.

3. Determine if commissions were paid (Equipment Fund) and how funds were used.

*If this documentation reveals inherent weaknesses, such as not turning commissions over to the County Treasurer for deposit into Jail Fund, document and proceed to writing finding.*

**JAIL ADDENDUM**  
**(Continued)**

**TELEPHONE COMMISSIONS (Continued)**

**Standard Recommendations for this area -**

1. The jailer should ensure that all telephone commission checks are deposited in the County Treasurer's account for the Jail Fund.
2. The jailer should ensure that any incentives provide by a telephone vendor are appropriately accounted for.
3. Contracts with telephone vendors should be with the Fiscal Court.

**DEPARTMENT OF CORRECTIONS - BILLING STATEMENT**

**Audit Objective -** Jail reconciles differences between amount billed to DOC and amount paid to jail.

**Audit Steps -**

Obtain an understanding of how the jail reconciles and resolves differences noted between DOC payments and bills prepared by the jail. Describe the jail's reconciliation procedure and whether attempts are made to obtain adjusted amounts from DOC.

*If this documentation reveals inherent weaknesses, such as no consistent policy or procedure is in place or no documentation available to test, document and proceed to writing finding. No further testing is necessary.*

**Standard Recommendations for this area -**

1. The jailer should reconcile State inmate billing statements to DOC's payment. Adjustments should be explained.

**ADDITIONAL PROCEDURES**

Staff will consider the need to apply one or more additional procedures. The decision to apply additional procedures should be based on a consideration of whether the basic procedures have been sufficient to achieve the audit objectives.

**FRAUD RISK**

Staff will consider whether the procedures performed are adequate in respond to identified fraud risk.

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\_\_\_\_\_ County Detention Center  
**Financial Management Policies and Procedures**

Housing Prisoners For Other Counties

Policy:

Invoices prepared for “Housing Prisoners For Other Counties” are accurate and have supporting documentation. The invoices are sent to the contracting county on a monthly basis.

Procedures:

When a county wishes to house its inmates in the \_\_\_\_\_ County Detention Center, a contract is signed both parties. The contract requires the contracting county to: a negotiated per-diem rate per day; pay all medical costs; pay for any property that is destroyed by the inmate; pay for special guard duty while the inmate is in the hospital or where circumstances require this; and pay for the cost of transporting prisoners. Medical co-payments collected from inmates will be forwarded to the contracting county Treasurer.

The prisoner goes through the booking process before admittance. The officer enters a county code into the computer system each time a prisoner is admitted.

The Class D Coordinator prepares a monthly invoice each month to submit to the contracting county. The invoice consists of two parts: a summary statement and a list of the inmates to support the per-diem charges. Medical and pharmacy bills are billed directly to the contracting county by the hospitals or other providers. Checks are written from the \_\_\_\_\_ County Detention Center Commissary and or Inmate account to the contracting county for housing fees and medical costs that are collected.

At the end of each month, a contracting county report is generated by the software management system. This report is based on the county code and lists the inmates account number, beginning date, ending date, and number of days served for each inmate attributed to the contracting county. The Class D Coordinator reviews this report and calculates the total number of days to place on the summary sheet of the invoice

The Director of Finance prepares a schedule of accounts receivable and mails the invoices to the contracting county. Staff in the contracting county will review these invoices. If there are any discrepancies, she is notified and the invoice is adjusted accordingly. She will note the change on her copy of the invoice. Payments from contracting counties go directly to the County Treasurer.



\_\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Housing Prisoners For Other Counties (Continued)

Procedures: (Continued)

The Director of Finance receives a copy of the County Treasurer's receipt ledger each month to update her accounts receivable ledger and revenue accounts. The Detention Center maintains a complete budget and accounting system that is separate from the County Treasurer. The Detention Center processes its own payroll and pays its own bills. The County Judge/Executive, County Treasurer, and Jailer sign checks.

The County Treasurer also maintains a complete budget and accounting system for the Detention Center (Jail Fund). Claims are approved by fiscal court.

Housing Federal Prisoners

Policy:

Invoices prepared for "Housing Federal Prisoners" are accurate and have supporting documentation. The invoices are sent to the contracting county on a monthly basis.

Procedures:

When the federal government wishes to house its inmates in the \_\_\_\_\_ County Detention Center, a contract is signed by both parties. The contract requires the contracting agency to: a negotiated per-diem rate per day; pay all medical costs; pay for any property that is destroyed by the inmate; pay for special guard duty while the inmate is in the hospital or where circumstances require this; and pay for the cost of transporting prisoners. The prisoner goes through the booking process before admittance. The officer enters a federal code into the computer system each time a prisoner is admitted.

The Class D Coordinator prepares a monthly invoice each month to submit to the contracting county. The invoice consists of two parts: a summary statement and a list of the inmates to support the per-diem charges. Medical and pharmacy bills are billed directly to the federal agency.

\_\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Housing Federal Prisoners (Continued)

Procedures: (Continued)

At the end of each month, a federal contracting report is generated by the software management system. This report is based on the agency code and lists the inmates account number, beginning date, ending date, and number of days served for each inmate attributed to the contracting county. The Class D Coordinator reviews this report and calculates the total number of days to place on the summary sheet of the invoice. The Class D Coordinator submits this invoice to the Director of Finance.

The Director of Finance prepares a schedule of accounts receivable and mails the invoices to the federal agency. Staff in the federal agency will review these invoices. If there are any discrepancies, she is notified and the invoice is adjusted accordingly. She will note the change on her copy of the invoice. Payments from federal agencies go directly to the County Treasurer.

Income From Inmates and Others

Policy:

The jail follows and consistently applies the fee schedule adopted by fiscal court to the charges against inmates. The jail uses pre-numbered receipts to evidence the receipt of fees by inmates or others. The accounting system identifies all revenue and charges made to an inmate's account. Residents are determined to be indigent if they do not have any funds for 30 days. However, inmates are given personal hygiene kits if they do not have any money before the 30-day period.

Procedures:

Please refer to the “\_\_\_\_\_ County Detention Center Policy and Procedure” manual for a complete description of the policy and procedures noted below when a KAR is cited.

KAR 7:120 – requires policies and procedures for jailers to ensure that each resident is committed under proper legal authority by a duly authorized officer. No person shall be accepted into the custody of the detention center without clear and documented legal authority. No person shall be admitted into the custody of the center unless the officer escorting the person can be positively identified.

\_\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Income From Inmates and Others (Continued)

Procedures: (Continued)

A preliminary health screening is completed. If an inmate needs immediate medical attention, the arresting officer is requested to take the inmate directly to the hospital.

501 KAR 7:120 Section 2 (3) – requires jail staff to conduct a search of residents and their possessions upon admission. It mandates that center staff of the same sex as resident conduct strip searches. Describes environment of search area and requires visual check of resident for medical purposes at time of strip search. Restrictions on body cavity searches are outlined.

501 KAR 7:120 Section 2 (4) – requires written policies and procedures specifying property residents may keep in their possession, record keeping of confiscated resident property, property of mentally impaired resident, and release of resident property to a third party.

501 KAR 7:120 – requires jailers to complete an intake form on every new resident admitted and delineates minimum standards of information to be included. Accurate and complete manual and automated records shall be made and maintained for all newly admitted. Staff enters information in the software management system.

501 KAR 7:090 - Medical screening upon admission of residents to the center and findings are to be recorded upon a printed form. Health appraisal data and medical screening for each resident shall be collected in or to properly classify residents, promote awareness of and respond to their medical conditions, and maintain adequate records of the residents health status. Staff enters information in the software management system.

501 KAR 7:120 Section 3 – Oral and written orientation for each resident as soon as possible after admission. This orientation shall include center schedules, privileges, communications, commissary, access to medical care, and rules of resident conduct, disciplinary procedures, programs and complaints. A written document is given to the inmates to read and sign.

501 KAR 7:110 – Requires written policies and procedures for an appropriate, non-discriminatory classification system providing for the separation of various categories of residents. The classification code should be written on the “Inmate Classification Form” and a code is entered into the computer system. A resident may require administrative segregation in accordance with 501 KAR 7:110 1 (2).

\_\_\_\_\_ County Detention Center  
 Financial Management Policies and Procedures  
 (Continued)

Income From Inmates and Others (Continued)

Procedures: (Continued)

The Financial Officer for \_\_\_\_\_ County Detention Center has two bank accounts in use. The Commissary Bank Account and Inmate Bank Account.

Receipts of the Commissary Bank Account are inmate account, sales commissary, and other receipts. Expenditures are for inventory, jail fees, entertainment expense, pay commissary vendor, and other expenses.

Receipts of the Inmate Bank Account are inmate state pay, inmate account, and other receipts. Expenditures are for jail fees, inmate account refunded, paying commissary bank account, inmate state payroll, entertainment and other expenses.

Most of the funds are initially deposited into the Inmate Bank Account. The payee of the funds can designate their purchases on commissary items, however if an inmate owes the jail money, then ½ of all incoming money is taken on receipt and deposited to the Inmate Bank Account.

Funds are transferred from the Inmate Bank Account to the Commissary Bank Account for commissary purchases. Payments are made monthly to the vendor for commissary purchases. Collections for housing, booking fees; per-diem fees, medical costs, and property damage are paid to the County Treasurer once a month. Two signatures are required on all checks for both bank accounts.

The Financial Officer utilizes a “Daily Cash Checkout Sheet” which is submitted to and signed by the \_\_\_\_\_ County Treasurer

- Different types of revenue received by the jail.
- Amount.
- Signature section for the Finance Officer to sign stating that she gave checks to the County Treasurer for the total revenues.
- Signature section for the County Treasurer to sign stating that she received checks from the Finance Officer for the total revenues.
- Date

The Financial Officer takes the “Daily Cash Checkout Sheet” and checks to the County Treasurer. She retains a copy for her files. A copy is also given to the *Director of Finance*.

\_\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Income From Inmates and Others (Continued)

Procedures: (Continued)

The Financial Officer uses an "Inmate Money Log" for funds received from inmates. This could be in the form of cash or money orders. This form lists jacket#, name, from, amount of money order and amount of cash.

The front office uses a "Federal/State/County Visitation and Money Log-In" for cash and money orders received from family and others. This form lists jacket#, name, cell, both, in, out, visitor signature, amount of money order or amount of cash, and inmate signature.

Cash Obtained During Booking-

The deputy searches the prisoner for weapons and drugs. All personal items not part of the inmate's clothing and cash are taken. Cash and personal items are separated. Inmates are generally placed in a holding cell before they are classified.

Personal items are inventoried, entered into an envelope, sealed and placed in a secure location. The inmate's name and date of admission is noted on a property tag.

Cash is counted. The booking officer enters this amount of cash on the intake form. The cash is attached to the intake form (inmate sheet) that lists the inmate's name, social security number, amount of cash confiscated, dated and signed by an officer. The booking officer is present to witness the cash count. A copy will be placed in the inmate's file folder.

The inmate sheet and cash are dropped into a locked box. The Financial Officer has a key to the locked box. If an inmate obtains bond at night, a check for any remaining funds is written to the inmate. The cash the inmate has for bond is assigned to the \_\_\_\_\_ County Detention Center. A receipt is mailed to the inmate, which is not signed. The Circuit Court Clerk will accept checks issued by the \_\_\_\_\_ County Detention Center for bonds.

During the day, a check is written for any funds left in the inmate's account from the Inmate Bank Account. The check and endorsement shows that the inmate received cash from the Inmate Bank Account. A receipt is issued to the inmate. A check may also be written from the Commissary Bank Account if there are any inmate funds remaining there. A check may be written from the Inmate Bank Account to the Commissary Bank Account if the inmate owes the canteen funds from purchases ordered from KEEFE at the end of the month.

\_\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Procedures: (Continued)

Income From Inmates and Others (Continued)

The lock box of cash may not be emptied for several shifts. The Financial Officer generally pulls the inmate sheet and cash out each day. There are three people who work for the Financial Officer and cash is counted and checked three times before a deposit is made. The software management system issues a report, which is reconciled with the amount of amount of cash on hand. If a discrepancy is found, the officers on duty are questioned. The deposit and report must agree.

The cash is held in a safe in the Commissary Department before a deposit is made. Bank deposits are generally made every day. In instances, where cash is less than \$1,000, a bank deposit may not be made until the next day.

A schedule of deposits is retained by the Financial Officer to reconcile these deposits per bank statements. Inmate Bank Account charges purchases and refunds to inmates are listed on an Excel work sheet. The Financial Officer reconciles the bank information to the books each month. Someone else checks this reconciliation to the monthly report.

Other Revenues-

Charges to the inmate's account may come from booking fees, housing fee for county prisoners only, \$10 a day housing fee for contracting county, work release fee per day, weekend fee, medical fees per visit by a nurse or doctor, state pay, prepaid phone cards, KEEFE canteen purchases and other canteen purchases. The Commissary Department sells stamps, CD players, batteries, matches and cigarettes. The charges are entered into the software management system, which maintains a real time update of all income and charges to an inmate's account. The software management system generates receipts for these transactions. Bail bond moneys paid to the Circuit Court Clerk and work release fees paid by inmates are not reflected in the software management system.

Bail Bonds-

While an inmate is in the jail, the inmate may have enough cash for bond or someone else may provide bail. Bail funds go to the Circuit Court Clerk's office and are paid by cash and checks. If inmate has enough cash to bond himself/herself, the funds are assigned to the \_\_\_\_\_ County Detention Center. A check from the Inmate Bank Account is written to the Circuit Court Clerk. Cash and checks for bail bonds are taken from the Inmate Bank Account to pay the Circuit Court Clerk.

\_\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Procedures: (Continued)

Income From Inmates and Others (Continued)

Bail Bonds- (Continued)

The Jail Court Officer completes a three-part form, which is signed by the deputy and inmate. The inmate receives a copy. When funds are remitted to the Circuit Court Clerk, a deputy in the Circuit Court Clerk's office signs the form. The Circuit Court Clerk receives a copy and the Jail Court Officer returns the form back to the Jail to be filed to support the payments made to the inmates for bail bonds. The Financial Officer also retains a copy.

If there is a large cash bond, then the Financial Officer or one of her assistants will come to the detention center, remove the funds from the lockbox and place the funds in a safe.

Booking Fees-

Booking fees are charged to county inmates. This fee is entered into the software management system when the inmate is booked. A check is written to the \_\_\_\_\_ County Treasurer for booking fees from the Inmate Bank Account and/or Commissary Bank Account each month. The Financial Officer prepares the "Daily Cash Checkout Sheet" and delivers the checks to the County Treasurer. A copy is submitted to the Treasurer's receipt ledger.

Work Release Fees-

Inmates are allowed to enter the work release program if they meet the legal requirements. The "\_\_\_\_\_ County Detention Center Policy and Procedure" manual has a description of the policies and procedures noted for work release. Inmates are released by the jail one hour prior to having to arrive at work and the inmate has one hour after work ends to be back at the jail. The Deputy on duty records the inmate's time departure and arrival times. The Deputy reports these hours to the Finance Officer. She also verifies the inmate's hours of work and salary with the employer.

The inmate has time to cash his paycheck and pays his work release fee. The Staff Deputy issues pre-numbered receipts and brings the cash and pre-numbered receipts to the Finance Officer. She deposits these funds into the Commissary Bank Account. A monthly check is written to the County Treasurer. This receipt and payment is not entered into the software management system.

\_\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Income From Inmates and Others (Continued)

Procedures: (Continued)

Income From Family or Others-

Income to an inmate account occurs by cash deposits made by inmates on work release, family members, or others go to the Financial Officer. The \_\_\_\_\_ County Detention Center accepts US Postal Money Orders made out to the \_\_\_\_\_ County Detention Center and cash. Checks are not accepted from family members or others.

The mail and money orders, and cash are received in the administrative office of the jail. The Director of Finance and assistants opens the mail. People also bring in cash and money orders. Receipts are not given for postal money orders. The top part of the money order is a receipt. The front office uses a "Federal/State/County Visitation and Money Log-In" for cash and money orders received from family and others. This form lists jacket#, name, cell, both, in, out, visitor signature, amount of money order or amount of cash, and inmate signature. Funds received in the front office are put in a safe.

The Financial Officer will empty the safe in the front office and reconcile the money orders and cash to the "Federal/State/County Visitation and Money Log-In" report. The funds are then taken to the Commissary Department. The Finance Officer will then deposit these funds into the Commissary Bank Account and/or Inmate Bank Account each day. The cash and money orders are held in a locked safe until it is deposited.

The Financial Officer and her staff will log all cash and money orders into the inmate's account. The inmates account balance is immediately updated. The software management system will generate a daily report of money orders and cash received. The money orders are and cash is dropped into a safe until deposited.

Medical Fees per Visit by a Doctor or Nurse-

The nurse submits a list of medical fees to the Financial Officer each day. These fees are entered into the software management system to charge the inmate's account.

Canteen Purchases-

Inmates have access to a scan in sheets that allows the inmates to order items. This is tied to the KEEFE software management system that checks the amount ordered against the amount in the inmates account. Orders are filled until the inmate does not have any money in their account. The orders are filled and delivered. Appropriate charges are made against the inmate's account automatically. Jail staff sells phone cards.



\_\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Income From Inmates and Others (Continued)

Procedures: (Continued)

Release of Inmates-

The inmate receives personal items when released from the detention center. A receipt listing the revenues and charges to the inmate's account is issued to the inmate to be signed. If the receipt is not signed, the inmate will not receive a check. The inmate may file a grievance with the Jailer. A copy of the signed receipt is maintained at the detention center.

Accounts Receivable of Delinquent Fees

Policy:

The \_\_\_\_\_ County Detention Center has an accounts receivable system in place to collect these fees. These accounts receivables are not turned over to an outside collection agency or over to the County Attorney. The jail maintains an inmate history log. If the inmate is booked in again and has any cash, these funds are applied to pay any outstanding debts.

Procedures:

The \_\_\_\_\_ County Detention Center started trying to collect funds from January 1, 2005 through September 30, 2005. The Financial Officer and staff mailed letters. If a former inmate responded, a "negotiated billing statement" was prepared and signed by the former inmate. This allowed the former inmate to pay all if the outstanding charges on a weekly or monthly basis. The \_\_\_\_\_ County Detention Center collected \$8,544 from June 2005 through April 2006 of outstanding accounts receivable. No additional staff or overtime was required. These collections were deposited into the Commissary Bank Account and a monthly check is written to \_\_\_\_\_ County Detention Center Jail Fund.

Medical Bills

Policy:

Qualified staff will review billings before payment is made. The detention center will seek to obtain medical services and pharmaceuticals at the lowest cost available. The "\_\_\_\_\_ County Detention Center Policy and Procedure" manual has a description of the policies and procedures in order for inmates to obtain medical care.

\_\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Medical Bills (Continued)

Procedures: (Continued)

The regional hospital allows the jail to pay the **Medicaid rate** or indigent rate when it's inmates are given care. This rate was negotiated many years ago and is still in effect.

The \_\_\_\_\_ County Detention Center has entered into a "Health Services Agreement" with Correct Care. Correct Care provide county inmates:

- Clinical oversight and management of all outside medical service
- Utilization review of hospitalizations
- Network access and discounts
- Claims and check processing
- Monthly utilization reports
- Access to Correct Care's support staff as needed

The fee is \$13.00 per inmate per month. The provider bills Correct Care. Correct Care pays the invoice. The fiscal court reimburses Correct Care for provider services.

The detention center has nurses on duty 7 days a week and they are on call at night. A nurse practitioner is also on call and comes to the detention center one day a week. They evaluate the inmates or advise the staff before they are sent to the hospital for additional medical care.

The Director of Finance reviews all medical bills for hospital and specialty services before they are paid. She determines that the invoice is applicable to the \_\_\_\_\_ County Detention Center. She compares the date of service with the booking information in the computer system, county code, and inmate's name. She determines whether or not the invoice is for the inmate category - *Housing Prisoners For Other Counties*. That contracting county pays these bills.

The Director of Finance determines if any hospital or specialty services are applicable to *State Inmates*. The state has Correct Care on every inmate. If the bill is applicable to a state inmate, the bill may be sent to Correct Care for review and negotiation. The Finance Director will try to negotiate the bill. If she can negotiate the bill below the discount that she can receive Correct Care, she will submit it to be paid by fiscal court, otherwise she will send it to Correct Care. Correct Care will pay the bill and submit an invoice to the \_\_\_\_\_ County Detention Center. The invoice will be posted to the Finance Director's books and submitted to fiscal court for approval and payment.

\_\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Medical Bills (Continued)

Procedures: (Continued)

The Director of Finance determines if any hospital or specialty services are applicable to *County Inmates*. The county has Correct Care on every inmate. If the bill is applicable to a county inmate, the bill may be sent to Correct Care for review and negotiation. The Director of Finance will try to negotiate the bill. If she can negotiate the bill below the discount that she can receive Correct Care, she will submit it to be paid by fiscal court, otherwise she will send it to Correct Care. Correct Care will pay the bill and submit an invoice to the \_\_\_\_\_ County Detention Center. The invoice will be posted to the Finance Director's books and submitted to fiscal court for approval and payment.

The Director of Finance maintains copies of all medical bills.

When the nurse in the jail sees an inmate, they submit a list to the Financial Officer who charges the inmate's account for each visit. For county inmates, medical services rendered outside of the Jail, x-rays and prescription pharmaceuticals costs are not charged to the inmate's account.

Food Purchases and Inventory

Policy:

The jail requires that food supplies be purchased at the lowest cost to the taxpayers. Inventory is secure and a physical inventory is conducted each month. Documentation is maintained to support all expenditures and inventory sheets are maintained for audit purposes.

Procedures:

501 KAR 7:100 - Requires written policy and procedures to regulate the delivery of proper food service. The policy and procedures are in compliance with Kentucky statutes, the food service code, and minimum caloric values. Meal schedules, special diets, records and inspections are also addressed. The "\_\_\_\_\_ County Detention Center Policy and Procedure" manual has a description of the policies and procedures for the delivery of proper food service.

The Food Services Director conducts the purchases for the kitchen. Her system is based on competitive bidding that is done for any item that increase in price. Negotiated quotes or bids on all items are conducted twice a year.

\_\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Food Purchases and Inventory (Continued)

Procedures: (Continued)

DOC approves every meal that is served to the inmates at the jail. If substantial changes are made to the meal plan then DOC approval is required.

The Food Services Director does not maintain a perpetual inventory of all items purchased and used. She is required to maintain a three to five day supply on hand if a disaster happens. She is able to look at the inventory to know if she meets this requirement and she also know what she needs to have on had to meet the next week's meal plan.

She reviews the invoices from the vendors and if the price increases, it is noted. The next time the item is ordered, it will be bid. She will obtain phone quotes from the vendors before the order is placed. Generally, she obtains at least three phone quotes and these are noted in a notebook.

Upon delivery the invoice and order are compared to the items delivered. These items are secured in the kitchen area. The invoice is dated and initialed as being accurate and matching what was ordered. Sometimes, items will be delivered and charged to the jail that he did not order and a revised invoice is sent.

The Food Services Director will check the mathematical accuracy of the invoice and submit the invoice to the Director of Finance. She checks the mathematical accuracy of the invoice, writes the check, post her books and submits it to the \_\_\_\_\_ County Treasurer. The invoice is placed on the claims list and approved by fiscal court before payment is made.

Vendors will call and offer major discounts on items. For instance, a vendor may offer a price of 65 cents a pound for chicken breasts. The vendor will offer a major discount if the distributor has ordered too much and needs to sell the item.

The Food Services Director will make the decision of whether or not to purchase the item based on her current inventory, current or expected meal plans, and the ability to store the item. The detention center has a freezer is available so that items could be purchased in bulk, for example frozen vegetables and meat products.

If she decides to make the purchase, she will call the other vendors to see if they can offer a better price. In order to take advantage of these savings, she may change the meal plan for that week. If a substantial change is made, DOC will have to approve.

Separate invoices are made to jail for jail expenditures and canteen orders.

\_\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Canteen Supplies and Inventory

Policy:

The jail requires that canteen supplies be purchased at a competitive price. Inventory is secure and a physical inventory is conducted each week. Documentation is maintained to support all expenditures and inventory sheets are maintained for audit purposes.

Procedures:

A physical inventory is taken each month. The Financial Officer will determine the amount and quantity of items to purchase to meet the expected needs of the inmates. The Commissary Department sells stamps, CD players, batteries, matches and cigarettes. Other commissary purchases are made through KEEFE.

The order is placed and the Commissary Software is updated accordingly. The items are delivered to the jail. Upon delivery the invoice and order are compared to the items delivered. These items are secured in the canteen area. The invoice is dated and initialed as being accurate and matching what was ordered. Sales tax is paid to the state.

Other Supplies and Inventory

Policy:

The jail requires that other supplies be purchased at a competitive price. Inventory is secure and a physical inventory is conducted each month. Documentation is maintained to support all expenditures and inventory sheets are maintained for audit purposes.

Procedures:

The Property Officer conducts the purchases for the other supplies used by the jail. Examples of these items are cleaning supplies, linens, paper, laundry supplies, and uniforms for inmates that are bid based on negotiated quotes. The front office orders office supplies.

The order is placed and the items are delivered to the jail. Upon delivery the invoice and order are compared to the items delivered. These items are secured in the proper area. The invoice is dated and initialed as being accurate and matching what was ordered. Sometimes, items will be delivered and charged to the jail that he did not order and a revised invoice is sent.

\_\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Other Supplies and Inventory

Procedures: (Continued)

The Property Officer will check the mathematical accuracy of the invoice and submit the invoice to the Director of Finance. She checks the mathematical accuracy of the invoice, writes the check, post her books and submits it to the \_\_\_\_\_ County Treasurer. The invoice is placed on the claims list and approved by fiscal court before payment is made.

Vendors will call and offer major discounts on items. The Property Officer make the decision of whether or not to purchase the item based on his current inventory, current or expected usage, and the ability to store the item.

Capital Expenditures

Policy:

The jail requires that capital expenditures for equipment be bid or request for proposals be obtained. Examples of capital expenditures are computer equipment, vehicles, boilers, and tractors. The \_\_\_\_\_ County fiscal court bids many items. If the \_\_\_\_\_ County Fiscal Court bids these items for the current period or equipment or vehicles is on the "State Price Contract," the jail may purchase from the awarded without bidding.

The Jailer approves the purchase of all capital expenditures.

A physical inventory is June 30 of each year to meet the requirements of GASB 34 and assist the County Treasurer in preparing for the audit. Documentation is maintained to support all expenditures and inventory sheets are maintained for audit purposes.

Procedures:

The Finance Director notifies the County Treasurer when a large expenditure for capital equipment is planned or is required. Notification is generally reflected in the budget approved by the fiscal court. The jail follows the requirements of KRS 424.260 - Bids for materials, supplies, equipment, or services.

- (1) Except where a statute specifically fixes a larger sum as the minimum for a requirement of advertisement for bids, no city, county, or district, or board or commission of a city or county, or sheriff or county clerk, may make a contract, lease, or other agreement for materials, supplies except perishable meat, fish, and vegetables, equipment, or for contractual services other than professional, involving an expenditure of more than twenty thousand dollars (\$20,000) without first making newspaper advertisement for bids.

\_\_\_\_\_ County Detention Center  
 Financial Management Policies and Procedures  
 (Continued)

Capital Expenditures

Procedures: (Continued)

(4) This requirement shall not apply in an emergency if the chief executive officer of the city, county, or district has duly certified that an emergency exists, and has filed a copy of the certificate with the chief financial officer of the city, county, or district, or if the sheriff or the county clerk has certified that an emergency exists, and has filed a copy of the certificate with the clerk of the court where his necessary office expenses are fixed pursuant to KRS 64.345 or 64.530, or if the superintendent of the board of education has duly certified that an emergency exists, and has filed a copy of the certificate with the chief state school officer.

The Jailer and his staff determine bid specifications of the item and method of purchase. The purchase could be made from a vendor selected by fiscal court, which was bid for the current fiscal year, or the vendor could be listed on the "State Price Contract." The Jailer may decide to bid the item. If the item is bid, an advertisement is made in the local newspaper. Sealed bids are submitted to the Jailer and taken to the Fiscal Court to be opened and recorded in the minutes of the meeting. After the bid is awarded to the vendor, the item is delivered, inspected, and placed on the capital asset schedule. The invoice, copies of the bids, and a copy of the advertisement are submitted to the County Treasurer.

If an emergency exists, the Jailer will request the County Judge/Executive to certify the emergency in accordance with KRS 424.260 (4) before the purchase is made. An example of this may be when the heating system goes out in the middle of winter. The heating system needs to be repaired or replaced immediately to ensure the safety and welfare of staff and inmates.

A physical inventory of capital assets is conducted at June 30 of each year. Capital assets inventoried, include furniture and office equipment, building improvements, machinery, and equipment that have a useful life of more than one year and meet the requirements of the capitalization policy adopted by the \_\_\_\_\_ County Fiscal Court. This report is sent to the County Treasurer and includes capital expenditures made from the *Commissary Bank Account*.

Telephone Commissions

Policy:

Contracts with telephone phone vendors should be signed and approved by the \_\_\_\_\_ County fiscal court. All telephone commission checks are deposited in the County Treasurer bank account and posted to the Jail Fund. Any incentives provided by the telephone vendor should be appropriately accounted for.

\_\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Telephone Commissions

Procedures: (Continued)

The \_\_\_\_\_ County Detention Center has a 4-year negotiated contract, dated November 16, 2003. The corporation agrees to pay the customer \_\_\_% of the gross revenue from the use of its equipment.

The County Treasurer receives monthly commission checks from the corporation.

Department of Corrections - Billing Statement

Policy:

The jail reconciles any difference between the invoice sent to the Department of Corrections and the amount paid to the jail. Efforts are made to obtain all funds due to the jail by re-submitting claims when necessary.

Procedures:

The Class D Coordinator prepares an invoice to that consists of a summary sheet and detailed supporting documentation. The supporting documentation lists the jails computer generated inmate account number, PIN number, classification, dates of service, and county. The statement is submitted to the Director of Finance and they mailed to the Department of Corrections.

DOC will review this statement; decrease the amount to be paid to the county based on its information and remit a check to the County Treasurer. There are several reasons DOC makes these changes; inmates that do not have PIN numbers, inmate classification does not agree with DOC classification, which causes the dates of service to change. DOC returns a complete copy of the statement, with its changes noted to the Director of Finance.

The Director of Finance reviews any changes made by DOC and submits the changes to the Class D Coordinator. All inmates that he believes that the county should be reimbursed for are resubmitted to DOC with the next month's bill.

The Director of Finance maintains copies of all billing statements that she submits to DOC and all statements returned by DOC.

*This same system is used for housing federal inmates (US Marshals) and Homeland Security (Illegal Immigrates).*



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\_\_\_\_\_ County Regional Jail  
**Financial Management Policies and Procedures**

Housing Prisoners For Other Counties

Policy:

Invoices prepared for “Housing Prisoners For Other Counties” are accurate and have supporting documentation. The invoices are sent to the contracting county on a monthly basis. Payments from the contracting county are received by the jail and are remitted to the County Treasurer.

Procedures:

When a county wishes to house its inmates in the \_\_\_\_\_ County Regional Jail, a contract is signed both parties. The contract requires the contracting county to pay a negotiated per-diem fee, transport all inmates, pay all medical and dental expenses, and \$33.50 is charged for each doctor’s visit. The per-diem fee is negotiated with each contracting county. If a prisoner has a blood alcohol level of 30% or higher before admittance to the jail, the prisoner must be taken to \_\_\_\_\_ Regional Medical Center to receive medical treatment prior to coming to the \_\_\_\_\_ County Regional Jail.

The prisoner goes through the booking process before admittance. The officer enters a county code into the computer system each time a prisoner is admitted.

The Director of Administration prepares a monthly invoice each month to submit to the contracting county. The invoice consists of three parts; a summary statement, a list of the inmates to support the per-diem charges, copies of the medical and pharmacy bills to support these charges to the contracting county. Doctor visits are also added to the summary sheet when it is prepared.

At the end of each month, a contracting county report is generated by the software management system. This report is based on the county code and lists the inmates account number, beginning date, ending date, and number of days served for each resident attributed to the contracting county. The Director of Administration reviews this report and calculates the total number of days to place on the summary sheet of the invoice.

The Director of Administration receives all medical, dental, and pharmacy charges. She compares the resident’s names to the report generated above. Copies of these invoices are made and the total cost is placed on the summary sheet and attached to the summary sheet as supporting documentation. Doctor visits inside of the Detention Center are charged at \$33.50 per visit. These are added to the summary sheet. She maintains copies of all invoices mailed to the contracting county.

\_\_\_\_\_ County Regional Jail  
Financial Management Policies and Procedures  
(Continued)

Housing Prisoners For Other Counties (Continued)

Procedures: (Continued)

The Director of Administration prepares a schedule of accounts receivable and mails the invoices to the contracting county. Staff in the contracting county will review these invoices. If there are any discrepancies, she is notified and the invoice is adjusted accordingly. She will note the change on her copy of the invoice.

The Director of Administration receives the payments and credits the accounts receivable schedule. She completes a "Revenue Log" statement. This form lists:

- Different types of revenue received by the jail.
- Agency from where the revenue came from.
- Check number from payee.
- Amount.
- Account number for County Treasurer's budget.
- Signature section and date for the Director of Administration to complete stating that she sent the above revenue to the County Treasurer.
- Signature section and date for the Transporting Officer to complete.
- Signature section and date for the County Treasurer to complete stating that she received the funds.

The Director of Administration completes, signs and dates the "Revenue Log" statement. The checks and statement are given to an officer so the funds can be carried to the County Treasurer.

The officer signs and dates the statement acknowledging receipt of the checks. The officer takes the checks and statement to the County Treasurer.

The County Treasurer signs and dates the statement acknowledging receipt of the checks. The County Treasurer endorsed the checks for deposit only and makes the deposit.

The statement is returned to the officer who then gives it to the Director of Administration.

Payments from contracting counties are not deposited into the Jail Commissary Fund.

\_\_\_\_\_ County Regional Jail  
Financial Management Policies and Procedures  
(Continued)

Income From Inmates and Others

Policy:

The jail follows and consistently applies the fee schedule adopted by fiscal court to the charges against residents. The jail uses pre-numbered receipts to evidence the receipt of fees by inmates or others. The accounting system identifies all revenue and charges made to a resident's account. Residents are determined to be indigent if they do not have any funds for 30 days. However, residents are given personal hygiene kits if they do not have any money before the 30-day period.

Procedures:

Please refer to the “\_\_\_\_\_ County Regional Jail Policy and Procedure” manual for a complete description of the policy and procedures noted below when a KAR is cited.

KAR 7:120 – requires policies and procedures for jailers to ensure that each resident is committed under proper legal authority by a duly authorized officer. No person shall be accepted into the custody of the detention center without clear and documented legal authority. No person shall be admitted into the custody of the center unless the officer escorting the person can be positively identified.

A preliminary health screening is completed. If an inmate needs immediate medical attention, the arresting officer is requested to take the inmate directly to the hospital.

501 KAR 7:120 Section 2 (3) – requires jail staff to conduct a search of residents and their possessions upon admission. It mandates that center staff of the same sex as resident conduct strip searches. Describes environment of search area and requires visual check of resident for medical purposes at time of strip search. Restrictions on body cavity searches are outlined.

501 KAR 7:120 Section 2 (4) – requires written policies and procedures specifying property residents may keep in their possession, record keeping of confiscated resident property, property of mentally impaired resident, and release of resident property to a third party.

501 KAR 7:120 – requires jailers to complete an intake form on every new resident admitted and delineates minimum standards of information to be included. Accurate and complete manual and automated records shall be made and maintained for all newly admitted. Staff enters information in the software management system.

\_\_\_\_\_ County Regional Jail  
Financial Management Policies and Procedures  
(Continued)

Income From Inmates and Others (Continued)

Procedures: (Continued)

501 KAR 7:090 - Medical screening upon admission of residents to the center and findings are to be recorded upon a printed form. Health appraisal data and medical screening for each resident shall be collected in or to properly classify residents, promote awareness of and respond to their medical conditions, and maintain adequate records of the residents health status. Staff enters information in the software management system.

501 KAR 7:120 Section 3 – Oral and written orientation for each resident as soon as possible after admission. This orientation shall include center schedules, privileges, communications, commissary, access to medical care, and rules of resident conduct, disciplinary procedures, programs and complaints. A written document is given to the inmates to read and sign.

501 KAR 7:110 – Requires written policies and procedures for an appropriate, non-discriminatory classification system providing for the separation of various categories of residents. The classification code should be written on the “Inmate Classification Form” and a code is entered into the computer system. A resident may require administrative segregation in accordance with 501 KAR 7:110 1 (2).

Cash Obtained During Booking-

The deputy searches the prisoner for weapons and drugs. All personal items not part of the resident’s clothing and cash are taken. Cash and personal items are separated. Inmates are generally placed in a holding cell before they are classified.

Personal items are inventoried, entered into an envelope, sealed and placed in a secure location. The resident’s name and date of admission is noted on a property tag.

Cash is counted and attached to the intake form that lists the resident’s name, social security number, amount of cash confiscated, dated and signed by an officer. A *manual system* in addition to the software management system is used to keep track of cash. The manual ledger lists the amount of cash, resident name, and officer who took the cash.

The intake form and cash are dropped into a locked box. This amount of cash is entered into the computer system and a receipt is issued to the resident, which is signed by two deputies.

The locked box has alphabetical slots in it. The shift supervisor and assistant supervisor have keys to the locked box in case they need to get cash if a resident obtains bond.

\_\_\_\_\_ County Regional Jail  
Financial Management Policies and Procedures  
(Continued)

Income From Inmates and Others (Continued)

Procedures: (Continued)

If a resident obtains bond at night, any remaining cash may go back to the resident. The resident is required to sign a receipt if he/she wants to receive any remaining cash after bond is paid. Residents who do not sign the receipt may file a complaint with the Jailer.

During the day, a check is written for any funds left in the resident's account from the *Jail Commissary Fund*. The check is endorsed by the resident and re-deposited back into the *Jail Commissary Fund* for bonding. The check and endorsement shows that the resident received cash from the *Jail Commissary Fund*. This only applies to Bonding. Any other releases during the day must be in the form of a check. A Release form is signed by the inmate, so for the release of the check.

The lock box of cash may not be emptied for several shifts. The intake forms, with the cash attached are generally pulled out each morning and taken to the Assistant to the Commissary Director. She works in the Commissary Department with the Commissary Director. The software management system issues a report, which is reconciled with the amount of amount of cash on hand. If a discrepancy is found, the computer printout is reconciled to the manual system and cash. The cash is held in a locked office.

Bank deposits are made every two or three days into the *Jail Commissary Fund* for cash received from inmates and money orders brought in from others.

A schedule of deposits is retained by the Commissary Department to reconcile these deposits per bank statement. *Jail Commissary Fund* purchases and refunds to inmates are listed on an Excel work sheet. The Commissary Director reconciles the bank information to the books each month. Someone else sometimes checks this reconciliation.

Other Revenues-

Charges to the resident's account may come from booking fees, work release fee per day or 25% of gross salary, medical fees per visit by a nurse or doctor and canteen purchases. Other charges may be applied for the destruction of property. The charges are entered into the software management system, which maintains a real time update of all income and charges to a resident's account. The software management system generates receipts. Bail bond moneys paid to the Circuit Court Clerk and work release fees paid by residents are not reflected in the software management system.

\_\_\_\_\_ County Regional Jail  
Financial Management Policies and Procedures  
(Continued)

Income From Inmates and Others (Continued)

Procedures: (Continued)

Bail Bonds-

While a resident is in the jail, the resident may have enough cash for bond or someone else may provide bail. Bail funds go to the Circuit Court Clerk's office and are paid in cash. If inmate has enough cash to bond himself, the procedure is to write a check from the *Jail Commissary Fund* to the resident. The resident endorses the canteen check and gives the check back to the deputy, which is deposited into the *Jail Commissary Fund* bank account. Cash for bail bonds is then taken from the *Jail Commissary Fund* to pay the Circuit Court Clerk. The deputy completes a three-part form, which is signed by the deputy and resident. The resident receives a copy. When funds are remitted to the Circuit Court Clerk, a deputy in the Circuit Court Clerk's office signs the form. The Circuit Court Clerk receives a copy and the deputy returns the form back to the Jail to be filed by the Director of Administration to support the payments made to the inmates for bail bonds.

Booking Fees-

Booking fees are charged to all County inmates. This fee is entered into the software management system when the resident is booked. A check is written to the \_\_\_\_\_ County Treasurer for booking fees from the *Jail Commissary Fund* each month. The check is delivered to the Director of Administration to be processed on a "Revenue Log" statement.

Work Release Fees-

Residents are allowed to enter the work release program if they meet the legal requirements. The "\_\_\_\_\_ County Regional Jail Policy and Procedure" manual has a description of the policies and procedures noted for work release. Residents are released by the jail one hour prior to having to arrive at work and the resident has one hour after work ends to be back at the jail. The Sergeant on duty records the inmate's time departure and arrival times. The Sergeant reports these hours to the Administrative Assistant in the administrative office. She also verifies the resident's hours of work and salary with the employer.

The inmate has time to cash his paycheck outside of the jail and pays the Staff Sergeant his work release fee. Inmates are not allowed to carry cash with them while they are in the jail. The Staff Sergeant issues pre-numbered receipts and brings the cash and pre-numbered receipts to the Administrative Assistant. She takes the cash and pre-numbered receipts to the Director of Administration.

\_\_\_\_\_ County Regional Jail  
Financial Management Policies and Procedures  
(Continued)

Income From Inmates and Others (Continued)

Procedures: (Continued)

The Director of Administration retains the cash in her office until these funds sent to the County Treasurer for deposit. The “Revenue Log” statement is used. This receipt and payment is not entered into the software management system.

Income From Family or Others-

Income to a resident account occurs by cash deposits made by inmates on work release, family members, or others. The \_\_\_\_\_ County Regional Jail accepts US Postal Money Orders made out to the \_\_\_\_\_ County Regional Jail. Cash and checks are not accepted from family members or others.

The mail and money orders are received in the administrative office of the jail. The Director of Administration, Administrative Assistants, or the Commissary Director opens the mail. People also bring in money orders. Receipts are not given for postal money orders. The top part of the money order is a receipt.

Whoever opens the mail, and finds a money order will log it into the resident’s account. The inmates account balance is immediately updated. The software management system will generate a daily report of money orders received. The money orders are then dropped into a locked box.

The Commissary Director will empty the lock box and reconcile the money orders to the software management report. The Commissary Director will then deposit these funds into the *Jail Commissary Fund* bank account every two or three days. The cash is held in a locked office until it is deposited.

Medical Fees per Visit by a Doctor or Nurse-

The nurse submits a list of medical fees to the Commissary Director or Assistant Commissary Director each day. They enter these charges into the software management system to charge the resident’s account.

Canteen Purchases-

Residents have access to a phone system that allows residents to order items based on a 4 digit ordering system utilizing the phone system. This is tied to the software management system that checks the amount ordered against the amount in the inmates account. Orders are filled until the resident does not have any money in their account. The orders are filled and delivered. Appropriate charges are made against the resident’s account automatically.



\_\_\_\_\_ County Regional Jail  
Financial Management Policies and Procedures  
(Continued)

Income From Inmates and Others (Continued)

Procedures: (Continued)

Release of Residents-

The resident receives personal items when released from the Detention Center. A receipt listing the cash and charges to the resident's account is issued to the resident to be signed. If the receipt is not signed, the inmate will not receive any cash or a check. The resident may file a grievance with the Jailer. A copy of the signed receipt is maintained at the Detention Center.

Accounts Receivable of Delinquent Fees

The \_\_\_\_\_ County Regional Jail does not have an accounts receivable system in place to collect these fees. These accounts receivables are not turned over to an outside collection agency or over to the County Attorney. The jail maintains a resident history log. If the resident is booked in again and has any cash, these funds are applied to pay any outstanding debts.

Medical Bills

Policy:

Qualified staff will review billings before payment is made by fiscal court through the "health services agreement." Through our "health service agreement," the jail will seek to obtain medical services and pharmaceuticals at the lowest cost available. The "\_\_\_\_\_ County Regional Jail Policy and Procedure" manual has a description of the policies and procedures in order for residents to obtain medical care.

Procedures:

The regional hospital allows the jail to pay the **Medicaid rate** or indigent rate when it's residents are given care. This rate was negotiated many years ago and is still in effect.

The \_\_\_\_\_ County Regional Jail and \_\_\_\_\_ County Fiscal Court have entered into a "Health Services Agreement" with (name of corporation). Generally, the corporation is to provide for the delivery of all medical services to inmates of the Jail. The corporation shall provide at its own cost all professional medical and related health care, and administrative services for the inmates, regularly scheduled sick call, nursing care, regular physician care, hospitalization, medical specialty services, emergency medical care, emergency ambulance services when medically necessary, medical records management, pharmacy services management, administrative support services, and other services.

\_\_\_\_\_ County Regional Jail  
Financial Management Policies and Procedures  
(Continued)

Medical Bills (Continued)

Procedures: (Continued)

The base compensation amount is \$\_\_\_\_\_ based on an average daily inmate population in the range of 240 to 280 as a monthly average. There is a cost pool of \$\_\_\_\_\_ for medical services rendered outside of the Jail, x-rays and prescription pharmaceuticals costs. If the cost of this care exceeds the amount set forth in the cost pool in any year then the corporation will pay for the additional services and submit invoices supporting the payments to the county along with an invoice from the corporation for 50% of the cost in excess of amount set forth in the cost pool. This clause in the contract provides an incentive for the corporation to review these bills and keep the costs down. If these costs exceed \$\_\_\_\_\_ above the cost pool in any year, the corporation will submit these bills to the fiscal court for payment. The contract may be amended if the average daily inmate population increases.

The corporation (health services agreement) has nurses on duty 7 days a week and they are on call at night. They evaluate the residents or advise the staff before they are sent to the hospital for additional medical care.

The Director of Administration reviews all medical bills for hospital and specialty services before they are paid. She determines that the invoice is applicable to the \_\_\_\_\_ County Regional Jail. She compares the date of service with the booking information in the computer system, county code, and resident's name. She determines whether or not the invoice is for the resident category - *Housing Prisoners For Other Counties*. These bills are charged to that county. The \_\_\_\_\_ County Fiscal Court pays these expenses, but the contracting county reimburses them.

The Director of Administration determines if any hospital or specialty services are applicable to *State Inmates*. The state has Correct Care on every inmate. If the bill is applicable to a state inmate, the bill is sent to Correct Care for review and negotiation. An amended bill is then submitted to Director of Administration. This bill is then submitted to the corporation (health services agreement) for payment. Frankfort Regional Medical Hospital Center bills are prepaid by Frankfort County Fiscal Court and reimbursed by the corporation or other counties.

Director of Administration reviews all *County Inmate bills*, before they are sent to the corporation (health services agreement). After review she stamps these bills. The bills are then sent to the corporation's nurses in the jail. Corporation staff reviews bills for charges and negotiate the hospital bills with the provider. \_\_\_\_\_ County receives the indigent care rate allowed by the hospital. The corporation pays these bills as required by the contract.

\_\_\_\_\_ County Regional Jail  
Financial Management Policies and Procedures  
(Continued)

Medical Bills (Continued)

Procedures: (Continued)

The Director of Administration maintains copies of all medical bills.

When the nurses in the jail sees a resident, they submit a list to Director of Administration who charges the resident's account \$5 for each visit. For county inmates, medical services rendered outside of the Jail, x-rays and prescription pharmaceuticals costs are not charged to the inmate's account.

Food Purchases and Inventory

Policy:

The jail requires that food supplies be purchased at the lowest cost to the taxpayers. Inventory is secure and a physical inventory is conducted each week. Documentation is maintained to support all expenditures and inventory sheets are maintained for audit purposes.

Procedures:

501 KAR 7:100 - Requires written policy and procedures to regulate the delivery of proper food service. The policy and procedures are in compliance with Kentucky statutes, the food service code, and minimum caloric values. Meal schedules, special diets, records and inspections are also addressed. The "\_\_\_\_\_ County Regional Jail Policy and Procedure" manual has a description of the policies and procedures for the delivery of proper food service.

The Kitchen Supervisor conducts the purchases for the kitchen and canteen. His system is based on competitive bidding that is done constantly or weekly for any items that increase in price.

Dietitians approve every meal that is served to the residents at the jail. If substantial changes are made to the meal plan then dietitian approval is required.

The Kitchen Supervisor maintains a perpetual inventory of all food items. He maintains an excel worksheet listing for each item: vendor, price, price per unit, amount purchased, amount used, and amount on hand or ending inventory. He reviews the invoices from the vendors every Friday. If the price increases, it is noted on that this item will be bid the next time it is purchased. This is noted on the excel worksheet.

\_\_\_\_\_ County Regional Jail  
Financial Management Policies and Procedures  
(Continued)

Food Purchases and Inventory (Continued)

Procedures: (Continued)

A physical inventory is taken each Sunday. Then he will determine the amount and quantity of items to purchase to meet the approved meal plans. He will review the excel work sheet and obtain phone quotes from the vendor before the order is placed. Generally, he obtains at least three phone quotes and these are noted in a notebook.

The order is placed and the excel worksheet is updated accordingly. The items are delivered to the jail. Upon delivery the invoice and order are compared to the items delivered. These items are secured in the kitchen area. The invoice is dated and initialed as being accurate and matching what was ordered. Sometimes, items will be delivered and charged to the jail that he did not order and a revised invoice is sent. The Kitchen Supervisor will check the mathematical accuracy of the invoice and update the excel worksheet. He submits the invoice to the Director of Administration. She checks the mathematical accuracy of the invoice and submits it to the \_\_\_\_\_ County Treasurer. The invoice is placed on the claims list and approved by fiscal court before payment is made.

Vendors will call and offer major discounts on items. For instance, a vendor may offer a price of 65 cents a pound for muscle chicken breasts. The vendor will offer a major discount if the distributor has ordered too much and needs to sell the item.

Mr. Brown will make the decision of whether or not to purchase the item based on his current inventory, current or expected meal plans, and the ability to store the item. The fiscal court paid for a freezer so that items could be purchased in bulk, for example frozen vegetables and meat products. If Mr. Brown decides to make the purchase, he will call the other vendors to see if they can offer a better price. In order to take advantage of these savings, Mr. Brown may change the meal plan for that week.

Separate invoices are made to jail for jail expenditures and canteen orders.

Canteen Supplies and Inventory

Policy:

The jail requires that canteen supplies be purchased at a competitive price. Inventory is secure and a physical inventory is conducted each week. Documentation is maintained to support all expenditures and inventory sheets are maintained for audit purposes.

\_\_\_\_\_ County Regional Jail  
Financial Management Policies and Procedures  
(Continued)

Canteen Supplies and Inventory (Continued)

Procedures:

A physical inventory is taken each Friday. The Commissary Director will determine the amount and quantity of items to purchase to meet the expected needs of the residents.

The order is placed and the Commissary Software is updated accordingly. The items are delivered to the jail. Upon delivery the invoice and order are compared to the items delivered. These items are secured in the canteen area. The invoice is dated and initialed as being accurate and matching what was ordered.

Other Supplies and Inventory

Policy:

The jail requires that other supplies be purchased at a competitive price. Inventory is secure and a physical inventory is conducted each week. Documentation is maintained to support all expenditures and inventory sheets are maintained for audit purposes.

Procedures:

The Kitchen Supervisor conducts the purchases for the other supplies used by the jail. Examples of these items are cleaning supplies, linens, paper, laundry supplies, and uniforms for inmates. His system is based on competitive bidding. The Director of Administration orders office supplies.

The Kitchen Supervisor maintains a perpetual inventory of most of these items where the purchase is routine. He maintains an excel worksheet listing for each item: vendor, price, price per unit, amount purchased, amount used, and amount on hand or ending inventory. He reviews the invoices from the vendors every Friday. If the price increases, it is noted on that this item will be bid the next time it is purchased. This is noted on the excel worksheet.

A physical inventory is taken each Sunday. Then he will determine the amount and quantity of items to purchase to meet the expected needs of the residents. He will review the excel work sheet and obtain phone quotes from the vendor before the order is placed. Generally, he obtains at least three phone quotes and these are noted in a notebook.

\_\_\_\_\_ County Regional Jail  
Financial Management Policies and Procedures  
(Continued)

Other Supplies and Inventory (Continued)

Procedures: (Continued)

The order is placed and the excel worksheet is updated accordingly. The items are delivered to the jail. Upon delivery the invoice and order are compared to the items delivered. These items are secured in the proper area. The invoice is dated and initialed as being accurate and matching what was ordered. Sometimes, items will be delivered and charged to the jail that he did not order and a revised invoice is sent.

The Kitchen Supervisor checks the mathematical accuracy of the invoice and update the excel worksheet. He submits the invoice to the Director of Administration. She checks the mathematical accuracy of the invoice and submits it to the \_\_\_\_\_ County Treasurer. The invoice is placed on the claims list and approved by fiscal court before payment is made.

Vendors will call and offer major discounts on items. The Kitchen Supervisor will make the decision of whether or not to purchase the item based on his current inventory, current or expected usage, and the ability to store the item.

Capital Expenditures

Policy:

The jail requires that capital expenditures for equipment be bid or request for proposals be obtained. Examples of capital expenditures are computer equipment, vehicles, boilers, and tractors. The \_\_\_\_\_ County fiscal court bids many items. If the \_\_\_\_\_ County Fiscal Court bids these items for the current period or equipment or vehicles is on the "State Price Contract," the jail may purchase from the awarded without bidding.

The Jailer approves the purchase of all capital expenditures.

A physical inventory is June 30 of each year to meet the requirements of GASB 34 and assist the County Treasurer in preparing for the audit. Documentation is maintained to support all expenditures and inventory sheets are maintained for audit purposes.

\_\_\_\_\_ County Regional Jail  
Financial Management Policies and Procedures  
(Continued)

Capital Expenditures

Procedures:

The Director of Administration notifies the County Treasurer when a large expenditure for capital equipment is planned or is required. The jail follows the requirements of KRS 424.260 - Bids for materials, supplies, equipment, or services.

(1) Except where a statute specifically fixes a larger sum as the minimum for a requirement of advertisement for bids, no city, county, or district, or board or commission of a city or county, or sheriff or county clerk, may make a contract, lease, or other agreement for materials, supplies except perishable meat, fish, and vegetables, equipment, or for contractual services other than professional, involving an expenditure of more than twenty thousand dollars (\$20,000) without first making newspaper advertisement for bids.

(4) This requirement shall not apply in an emergency if the chief executive officer of the city, county, or district has duly certified that an emergency exists, and has filed a copy of the certificate with the chief financial officer of the city, county, or district, or if the sheriff or the county clerk has certified that an emergency exists, and has filed a copy of the certificate with the clerk of the court where his necessary office expenses are fixed pursuant to KRS 64.345 or 64.530, or if the superintendent of the board of education has duly certified that an emergency exists, and has filed a copy of the certificate with the chief state school officer.

The Jailer and his staff determine bid specifications of the item and method of purchase. The purchase could be made from a vendor selected by fiscal court, which was bid for the current fiscal year, or the vendor could be listed on the "State Price Contract." The Jailer may decide to bid the item. If the item is bid, an advertisement is made in the local newspaper. Sealed bids are submitted to the Jailer. The Jailer opens these bids with the Director of Administration as a witness. The Director of Administration retains the advertisement and bids. After the bid is awarded to the vendor, the item is delivered, inspected, and placed on the capital asset schedule. The invoice, copies of the bids, and a copy of the advertisement are submitted to the County Treasurer.

If an emergency exists, the Jailer will request the County Judge/Executive to certify the emergency in accordance with KRS 424.260 (4) before the purchase is made. An example of this may be when the heating system goes out in the middle of winter. The heating system needs to be repaired or replaced immediately to ensure the safety and welfare of staff and residents.

\_\_\_\_\_ County Regional Jail  
Financial Management Policies and Procedures  
(Continued)

Capital Expenditures

Procedures: (Continued)

A physical inventory of capital assets is conducted at June 30 of each year. Capital assets inventoried, include furniture and office equipment, building improvements, machinery, and equipment that have a useful life of more than one year and meet the requirements of the capitalization policy adopted by the \_\_\_\_\_ County Fiscal Court. This report is sent to the County Treasurer and includes capital expenditures made from the *Jail Commissary Fund*.

Telephone Commissions

Current Policy:

Contracts with telephone phone vendors should be signed and approved by the \_\_\_\_\_ County fiscal court. All telephone commission checks are deposited in the County Treasurer bank account and posted to the Jail Fund. Any incentives provided by the telephone vendor should be appropriately accounted for.

Procedures:

The \_\_\_\_\_ County Regional Jail has a 4-year negotiated contract, dated November 16, 2003. The corporation agrees to pay the customer \_\_% of the gross revenue from the use of its equipment.

The addendum to the agreement states; “ The corporation will provide \$\_\_\_\_\_ in an Equipment Fund for facility use to be deducted from commission check over the four year term at \$\_\_\_\_\_ per month. (This amount may be added to existing Equipment Fund from prior agreement with balance of \$\_\_\_\_\_).” This clause allowed the Jailer to spend up to \$\_\_\_\_\_ for equipment before telephone commissions are earned.

The software upgrade expenditure made by the former Jailer may not have been reflected in the Jail Fund budget. The County Judge/Executive did not sign the contract.

The current Jailer will appear before fiscal court to obtain approval for any expenditure made from the Equipment Fund. The jailer will submit a detailed list of expenditures paid from the Equipment Fund to the Fiscal Court.

The Director of Administration receives monthly commission checks from the corporation and sends these checks to the County Treasurer.



\_\_\_\_\_ County Regional Jail  
Financial Management Policies and Procedures  
(Continued)

Department of Corrections - Billing Statement

Policy:

The jail reconciles any difference between the invoice sent to the Department of Corrections and the amount paid to the jail. Efforts are made to obtain all funds due to the jail by re-submitting claims when necessary.

Procedures:

The Director of Administration prepares an invoice to that consists of a summary sheet and detailed supporting documentation. The supporting documentation lists the jails computer generated inmate account number, PIN number, classification, dates of service, and county. The statement is hand carried over to the Department of Corrections.

DOC will review this statement; decrease the amount to be paid to the county based on its information and remit a check to the jail. There are several reasons DOC makes these changes; inmates that do not have PIN numbers, inmate classification does not agree with DOC classification, which causes the dates of service to change. DOC returns a complete copy of the statement, with its changes noted to the Director of Administration. DOC sends the check to the \_\_\_\_\_ County Fiscal Court and the \_\_\_\_\_ County Treasurer deposits it. A copy is sent to the Director of Administration.

The Director of Administration reviews any changes made by DOC. All inmates that she believes that the county should be reimbursed for are resubmitted to DOC with the next month's bill.

She maintains copies of all billing statements that she submits to DOC and all statements returned by DOC.

\_\_\_\_\_ County Detention Center  
**Financial Management Policies and Procedures**

Income From Inmates and Others

Policy:

The jail follows and consistently applies the fee schedule adopted by fiscal court to the charges against inmates. The jail uses pre-numbered receipts to evidence the receipt of fees by inmates or others. The "Inmate Account Sheet" identifies all revenue and charges made to an inmate's account. Residents are determined to be indigent by the pre-trial officer. Inmates are given personal hygiene kits if they do not have any money before a 30-day period.

Procedures:

Please refer to the "\_\_\_\_\_ County Detention Center Policy and Procedure" manual for a complete description of the policy and procedures noted below when a KAR is cited.

KAR 7:120 – requires policies and procedures for jailers to ensure that each resident is committed under proper legal authority by a duly authorized officer. No person shall be accepted into the custody of the detention center without clear and documented legal authority. No person shall be admitted into the custody of the center unless the officer escorting the person can be positively identified.

A preliminary health screening is completed. If an inmate needs immediate medical attention, the arresting officer is requested to take the inmate directly to the hospital.

501 KAR 7:120 Section 2 (3) – requires jail staff to conduct a search of residents and their possessions upon admission. It mandates that center staff of the same sex as resident conduct strip searches. Describes environment of search area and requires visual check of resident for medical purposes at time of strip search. Restrictions on body cavity searches are outlined.

501 KAR 7:120 Section 2 (4) – requires written policies and procedures specifying property residents may keep in their possession, record keeping of confiscated resident property, property of mentally impaired resident, and release of resident property to a third party.

501 KAR 7:120 – requires jailers to complete an intake form on every new resident admitted and delineates minimum standards of information to be included. Accurate and complete manual and automated records shall be made and maintained for all newly admitted. Staff enters information in the software management system.

\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Income From Inmates and Others (Continued)

Procedures: (Continued)

501 KAR 7:090 - Medical screening upon admission of residents to the center and findings are to be recorded upon a printed form. Health appraisal data and medical screening for each resident shall be collected in or to properly classify residents, promote awareness of and respond to their medical conditions, and maintain adequate records of the residents health status. Staff enters information in the software management system.

501 KAR 7:120 Section 3 – Oral and written orientation for each resident as soon as possible after admission. This orientation shall include center schedules, privileges, communications, commissary, access to medical care, and rules of resident conduct, disciplinary procedures, programs and complaints. A written document is given to the inmates to read and sign.

501 KAR 7:110 – Requires written policies and procedures for an appropriate, non-discriminatory classification system providing for the separation of various categories of residents. The classification code should be written on the “Inmate Classification Form” and a code is entered into the computer system. A resident may require administrative segregation in accordance with 501 KAR 7:110 1 (2).

The foundation of accounting system is based upon pre-number receipts and the “Inmate Account Sheet.” There are checks and balances in place to determine if any funds are missing or if any mistakes have been made. The detention center has one bank account in use for the Jail Commissary. The \_\_\_\_ County Detention Center averages 65 53 inmates each day and does not house any state inmate or inmates from other counties. Staff is limited and resources have not been allocated for a computerized accounting system.

Pre-numbered receipts are issued for booking fees, bond fees, work release fees, and income to be placed on an inmates account. The booking fees, bond fees, and work release fees are paid in cash to the County Treasurer. Funds are also received for bond payments that are paid in cash to the Circuit Court Clerk’s office.

Separate receipts are issued to the inmates for booking fees, bond fees, and work release fees when these are paid.

\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Procedures: (Continued)

Income From Inmates and Others (Continued)

The Jailer requires that an "Inmate Account Sheet" be maintained on every inmate in the detention center. This form lists name, admission number, date, and amount at admission, deposit, withdrawal, balance and amount at release. When an inmate is released, the inmate and jail officer signatures are required to sign the form. A running balance is maintained showing the amount of funds in the inmates account. All deposits and withdrawals are reflected on this form. The booking form and pre-numbered receipts provide the information to post the transactions to the "Inmate Account Sheet."

The detention center allows the inmates to carry a small amount of cash, \$5 in order to buy soft drinks and snacks from the vending machines. A family member or someone else may come to the detention center and give cash to an officer. The deputy will issue a pre-numbered receipt to the family member or someone else. Then the deputy will give the inmate the choice of placing the cash in the safe or he may take the money. If the inmate takes the money, this is noted on the receipt and on the "Inmate's Account Sheet."

Cash Obtained During Booking-

The deputy searches the prisoner for weapons and drugs. All personal items not part of the inmate's clothing and cash are taken. Cash and personal items are separated. Inmates are generally placed in a holding cell before they are classified.

Personal items are inventoried, entered into an envelope, sealed and placed in a secure location. The inmate's name and date of admission is noted on a property tag.

Cash is counted if inmate posts bond after 4:00 p.m. The cash is attached to the "Booking Form" that lists the inmate's name, social security number, amount of cash confiscated, dated and signed by an officer and inmate. Other information is also on the form. Another officer is present to witness the cash count. A pre-numbered receipt is issued. There are three copies; one goes to the inmate, one copy goes to the County Treasurer and one copy stays in the receipt book. The officer that received the cash signs the receipt.

The fee receipt and cash are stapled together and dropped into a locked box. The Jailer, Financial Officer, and Assistant Jailer have keys to the locked box. No other staff has keys to the lock box.

If an inmate obtains bond at night, any remaining cash will have to be picked up the next day. The cash the inmate has for bond is assigned to the \_\_\_\_ County Detention Center. The Circuit Court Clerk only accepts cash for bonds.

\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Income From Inmates and Others (Continued)

Procedures: (Continued)

If an inmate obtains bond during the day, any remaining cash could be picked up that day or the next day. The cash the inmate has for bond is assigned to the \_\_\_\_ County Detention Center. The Circuit Court Clerk only accepts cash for bonds.

The lock box of cash may not be emptied for several shifts. The Finance Officer pulls out the envelope and cash each day. The cash per booking sheets is reconciled with the amount of amount of cash on hand. If a discrepancy is found, the pre-number receipts are examined. The officers on duty may also be questioned. The total amount of cash on hand must agree with the pre-numbered receipts and booking forms. The Finance Officer completes updates the "Inmate Account Sheet" on each new admission. The cash and receipts are segregated into three different bags: bond funds for the Circuit Court Clerk's office, County Treasurer bond and booking fees, and Inmate Money. These bags with the cash and receipts are placed in a safe in the Jailer's office.

Other Revenues-

Charges to the inmate's account come from booking fees, bond fees, \$10 a day work release fees, bond funds to the Circuit Court Clerk's office, cash to inmates to purchase items from the vending machines and other canteen purchases.

Bail Bonds-

While an inmate is in the jail, the inmate may have enough cash for bond or someone else may provide bail. Bail funds go to the Circuit Court Clerk's office and are paid in cash. If inmate has enough cash to bond himself/herself, the funds are assigned to the \_\_\_\_ County Detention Center. Cash is taken to the Circuit Court Clerk's office. The deputy completes a three-part form, which is signed by the deputy and inmate. The inmate receives a copy. When funds are remitted to the Circuit Court Clerk, a deputy in the Circuit Court Clerk's office signs the form. The Circuit Court Clerk receives a copy and the deputy returns the form back to the Jail to be filed by the Finance Officer to support the payments made to the inmates for bail bonds. These transactions are reflected on the "Inmate's Account Sheet."

If there is large cash bond in the lock box at night, then the Finance Officer, Jailer, or Assistant Jailer will remove the funds from the lockbox and place the funds in a safe.

\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Income From Inmates and Others (Continued)

Procedures: (Continued)

Booking and Bond Fees-

Booking fees are charged to all county inmates. Each Friday, cash and copies of the pre-numbered receipts for booking fees are taken to the \_\_\_\_ County Treasurer. The County Treasurer issues a signed receipt to the Finance Officer for these funds.

Work Release Fees-

Inmates are allowed to enter county work release program if they meet the legal requirements. The “\_\_\_\_ County Detention Center Policy and Procedure” manual has a description of the policies and procedures noted for work release. They can also have their own job and they will pay work release. Inmates are released by the jail one hour prior to having to arrive at work and the inmate has one hour after work ends to be back at the jail. The Sergeant on duty records the inmate’s time departure and arrival times. The time worked is used to decrease the amount of time the inmate must stay and jail or the inmate’s fine is decreased. A receipt is issued to the inmate when he pays the work release fee of \$10 per day. This fee is reflected on the “Inmate Account Sheet.” Funds are taken from the Inmate bag in the safe and placed in the County Treasurer’s bag. The County Treasurer receives a copy of the receipt.

Canteen and Vending Machine Purchases-

The Commissary sells stamps, batteries, matches, and other items. These items are secured in the Jailer’s office. The charges are entered on the Inmate Account Sheet” which lists all income and charges to an inmate’s account. Each morning at 6:00 a.m. the inmates are allowed to make their orders. The orders are taken to the Jailer’s office, filled, and a cash register receipt is issued to each inmate. The charges are entered on the “Inmate’s Account Sheet.” The cash register totals all of the receipt for that day and these funds are moved from the Inmate bag to the Commissary bag in the safe.

The detention center allows the inmates to carry a small amount of cash, \$5 in order to buy soft drinks and snacks from the vending machines. Funds are taken from the vending machines each week and placed in the Commissary bag in the safe.

Bank deposits are made each week into the Commissary Fund. The commissary officer will reconcile the bank deposits to the cash register tapes each week. The bank deposits are reconciled to the bank statement each month.

\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Income From Inmates and Others (Continued)

Procedures: (Continued)

Income From Family or Others-

Income to an inmate account occurs by cash deposits or money orders made by inmates, family members, or others.

The mail, money orders, and cash are received in the booking area of the jail. Pre-numbered receipts are issued to people who bring cash and money orders in on behalf of the inmate. The receipt is issued to the person who makes the deposit and a deputy signs the receipt. The deputy asks the inmate if he/she wants \$5 for the vending machines. The inmate may have a \$30 dollar deposit, take \$5 for the vending machines and place \$25 on his/her account. This is noted on the receipt and the receipt and cash of \$25 is dropped into the lock box.

The Finance Officer, Assistant Jailer, and Jailer open the mail. Receipts are issued for cash and money orders that are mailed to the detention center. These funds are listed on the "Inmate Account Sheet" and placed in the Inmate bag in the safe.

Release of Inmates-

The inmate receives personal items when released from the detention center. A copy of "Inmate Account Sheet" and any remaining cash belonging to the inmate is given to the inmate. The deputy and inmate sign the "Inmate Account Sheet" and "Booking Form" stating that this is correct.

\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Reconciliation Process

- Each day cash and receipts deposited into the lock box is taken out and reconciled. “Inmate Account Sheets” are created or updated.
- Commissary purchases are updated on the “Inmate Account Sheet” each day.
- At the end of the week funds are transferred from the Inmate bag to the Commissary bag in the safe based on the receipts issued by the cash register. Bank deposits are made to the Commissary Fund.
- *At this point in time, the cash in the Inmate bag can be reconciled to the balance in per all “Inmate Account Sheets.” This is completed weekly.*
- Work release fees are paid each Friday and are entered on the “Inmate Account Sheet” as revenue when paid by the inmate and withdrawal when transfer of cash is made to the County Treasurer’s bag.
- Booking and bond fees funds with receipts are in the County Treasurer’s bag. The bag is reconciled with the cash receipts and delivered to the County Treasurer by the Finance Officer. The County Treasurer issues a receipt to the Finance Officer.

Medical Bills

Policy:

Qualified staff will review billings before payment is made. The detention center will seek to obtain medical services and pharmaceuticals at the lowest cost available. The “\_\_\_\_ County Detention Center Policy and Procedure” manual has a description of the policies and procedures in order for inmates to obtain medical care.

Procedures:

The regional hospital allows the jail to pay the **Workman’s Compensation** rate when its inmates are given care. This rate was negotiated many years ago and is still in effect.

The detention center has a nurse practitioner that provides services to the detention center every Saturday. A doctor is on call seven days a week. They evaluate the inmates or advise the staff before they are sent to the hospital for additional medical care. Staff may call 911 or immediately take an inmate to the hospital if they make this determination.



\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Medical Bills (Continued)

Procedures: (Continued)

All medical bills for hospital and specialty services are reviewed and negotiated by the Jailer before they are submitted to fiscal court for payment. He also makes sure the invoice is applicable to the detention center.

The Jailer maintains copies of all medical bills.

Food Purchases and Inventory

Policy:

The jail requires that food supplies be purchased at the lowest cost to the taxpayers. Inventory is secure and a physical inventory comparing the amount used to what is left is conducted each week. Documentation is maintained to support all expenditures and inventory sheets of amounts used are maintained for audit purposes.

Procedures:

501 KAR 7:100 - Requires written policy and procedures to regulate the delivery of proper food service. The policy and procedures are in compliance with Kentucky statutes, the food service code, and minimum caloric values. Meal schedules, special diets, records and inspections are also addressed. The “\_\_\_\_ County Detention Center Policy and Procedure” manual has a description of the policies and procedures for the delivery of proper food service.

The Cook conducts an inventory of the food used prepares the meal order for the next week. The Jailer makes the order. The Jailer’s system is based on competitive bidding that is done each quarter. Negotiated quotes or bids on all items are conducted each quarter. The Jailer retains copies of these quotes or bids for his files. Vendors notify him when prices increase.

Staff that works for the \_\_\_\_ County Board of Education approves menus each year. Special diets are prepared by working with the inmate and dietitian at the hospital.

Upon delivery the invoice and order are compared to the items delivered by the cooks. These items are secured in the kitchen area. The invoice is dated and initialed as being accurate and matching what was ordered. Sometimes, items will be delivered and charged to the jail that he did not order and a revised invoice is sent.

\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Food Purchases and Inventory (Continued)

Procedures: (Continued)

The Cook will check the mathematical accuracy of the invoice and call the County Judge /Executive's office for a purchase order number. She will also let them know the cost. The purchase order and invoice are submitted to the Finance Officer. The Finance Officer submits the invoice and purchase order to the County Treasurer. The invoice is placed on the claims list and approved by fiscal court before payment is made.

Vendors will call and offer major discounts on items. For instance, a vendor may offer a price of 65 cents a pound for chicken breasts. The vendor will offer a major discount if the distributor has ordered too much and needs to sell the item.

The Jailer will make the decision of whether or not to purchase the item based on current inventory, current or expected meal plans. If he decides to make the purchase, he will call the other vendors to see if they can offer a better price. In order to take advantage of these savings, he may change the meal plan for that week.

Separate invoices are made to the detention center for jail expenditures and canteen orders.

Canteen Supplies and Inventory

Policy:

The jail requires that canteen supplies be purchased at a competitive price. Inventory is secure and a physical inventory is conducted each week. Documentation is maintained to support all expenditures and inventory sheets are maintained.

Procedures:

The Jailer or Assistant Jailer conducts an inventory of the canteen supplies each week. The Jailer conducts the purchases for the canteen. The Jailer's makes most of the purchases from discount stores.

These items are secured in the Jailer's office. The invoice is dated and initialed as being accurate and matching what was ordered.

The Jailer will check the mathematical accuracy of the invoice. The invoice will be submitted to the Finance Officer for payment from the Commissary Fund. Invoices are retained as support for expenditures.

\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Other Supplies and Inventory

Policy:

The jail requires that other supplies be purchased at a competitive price. Inventory is secure and a physical inventory is conducted each week. Documentation is maintained to support all expenditures, but inventory sheets are not maintained.

Procedures:

The Jailer conducts the purchases for the other supplies used by the jail. Examples of these items are cleaning supplies, linens, paper, laundry supplies, and uniforms for inmates. These items are bid based on negotiated quotes. Quotes are maintained and on file in the Jailer's office.

The order is placed and the items are delivered to the jail. Upon delivery the invoice and order are compared to the items delivered. These items are secured in the proper area. The invoice is dated and initialed as being accurate and matching what was ordered. Sometimes, items will be delivered and charged to the jail that he did not order and a revised invoice is sent.

The Jailer will check the mathematical accuracy of the invoice and call the County Judge /Executive's office for a purchase order number. She will also let them know the cost. The purchase order and invoice are submitted to the Finance Officer. The Finance Officer submits the invoice and purchase order to the County Treasurer. The invoice is placed on the claims list and approved by fiscal court before payment is made.

The Jailer conducts an inventory each week to make sure that items are not being wasted.

Capital Expenditures

Policy:

The jail requires that capital expenditures for equipment be bid or request for proposals be obtained. Examples of capital expenditures are computer equipment and vehicles. The \_\_\_\_ County fiscal court bids many items. The \_\_\_\_ County Fiscal Court will bid or utilize the "State Price Contract," for all capital expenditures.

The Jailer approves the purchase of all capital expenditures.

A physical inventory is June 30 of each year to meet the requirements of GASB 34 and assist the County Treasurer in preparing for the audit. Documentation is maintained to support all expenditures and inventory sheets are maintained for audit purposes.

\_\_\_\_ County Detention Center  
 Financial Management Policies and Procedures  
 (Continued)

Capital Expenditures

Procedures: (Continued)

The Jailer notifies the County Treasurer and County Judge/Executive when a large expenditure for capital equipment is planned or is required. Notification is generally reflected in the budget approved by the fiscal court. The fiscal court and Jailer follows the requirements of KRS 424.260 - Bids for materials, supplies, equipment, or services.

(1) Except where a statute specifically fixes a larger sum as the minimum for a requirement of advertisement for bids, no city, county, or district, or board or commission of a city or county, or sheriff or county clerk, may make a contract, lease, or other agreement for materials, supplies except perishable meat, fish, and vegetables, equipment, or for contractual services other than professional, involving an expenditure of more than twenty thousand dollars (\$20,000) without first making newspaper advertisement for bids.

(4) This requirement shall not apply in an emergency if the chief executive officer of the city, county, or district has duly certified that an emergency exists, and has filed a copy of the certificate with the chief financial officer of the city, county, or district, or if the sheriff or the county clerk has certified that an emergency exists, and has filed a copy of the certificate with the clerk of the court where his necessary office expenses are fixed pursuant to KRS 64.345 or 64.530, or if the superintendent of the board of education has duly certified that an emergency exists, and has filed a copy of the certificate with the chief state school officer.

The Jailer and his staff determine bid specifications of the item. The fiscal court determines the method of purchase. The purchase could be made from a vendor selected by fiscal court, which was bid, or the vendor could be listed on the "State Price Contract." If the item is bid, an advertisement is made in the local newspaper. Sealed bids are submitted to Fiscal Court. The County Judge/Executive and County Treasurer will open the bids. Fiscal Court will then award the bid to a vendor and pay the claim. After the bid is awarded to the vendor, the item is delivered, inspected, and placed on the capital asset schedule. The invoice, copies of the bids, and a copy of the advertisement are retained by the County Judge/Executive.

If an emergency exists, the Jailer will request the County Judge/Executive to certify the emergency in accordance with KRS 424.260 (4) before the purchase is made. An example of this may be when the heating system goes out in the middle of winter. The heating system needs to be repaired or replaced immediately to ensure the safety and welfare of staff and inmates.

\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Capital Expenditures

Procedures: (Continued)

A physical inventory of capital assets is conducted at June 30 of each year. Capital assets inventoried, include furniture and office equipment, building improvements, machinery, and equipment that have a useful life of more than one year and meet the requirements of the capitalization policy adopted by the \_\_\_\_ County Fiscal Court. This report is sent to the County Treasurer and includes capital expenditures made from the *Commissary Bank Account*.

Telephone Commissions

Policy:

Contracts with telephone phone vendors should be signed and approved by the \_\_\_\_ County fiscal court. All telephone commission checks are deposited in the County Treasurer bank account and posted to the Jail Fund. Any incentives provided by the telephone vendor should be appropriately accounted for.

Procedures:

The \_\_\_\_ County Detention Center has a negotiated contract with a telephone provider. The corporation agrees to pay the customer \_\_% of the gross revenue from the use of its equipment.

The addendum to the agreement states; “ The corporation will provide \$\_\_\_\_\_ in an Equipment Fund for facility use to be deducted from commission check over the four year term at \$\_\_\_\_\_ per month. (This amount may be added to existing Equipment Fund from prior agreement with balance of \$\_\_\_\_\_).” This clause allowed the Jailer to spend up to \$\_\_\_\_\_ for equipment before telephone commissions are earned.

The Jailer will appear before fiscal court to obtain approval for any expenditure made from the Equipment Fund. A detailed list of all expenditures from the equipment fund will be submitted to fiscal court.

The Finance Officer receives monthly commission checks from the corporation and takes them to the County Treasurer.

\_\_\_\_ County Detention Center  
Financial Management Policies and Procedures  
(Continued)

Department of Corrections - Billing Statement

Policy:

The jail reconciles any difference between the invoice sent to the Department of Corrections and the amount paid to the jail. Efforts are made to obtain all funds due to the jail by re-submitting claims when necessary.

Procedures:

The Assistant Jailer prepares an invoice to that consists of a summary sheet and detailed supporting documentation. The supporting documentation lists the inmate account number, classification, dates of service, and county. The statement is mailed to the Department of Corrections.

DOC will review this statement; decrease the amount to be paid to the county based on its information and remit a check to the County Treasurer. There are several reasons DOC makes these changes; inmates that do not have PIN numbers, inmate classification does not agree with DOC classification, which causes the dates of service to change. DOC returns a complete copy of the statement, with its changes noted to the Assistant Jailer.

The Assistant Jailer reviews any changes made by DOC. All inmates that he believes that the county should be reimbursed for are resubmitted to DOC with the next month's bill.

The Assistant Jailer maintains copies of all billing statements that he submits to DOC and all statements returned by DOC.

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**County Detention Center**  
**Medical Policies and Procedures**

Medical Bills

Policy:

The mission of the                      County Detention Center healthcare program is to:

- Evaluate inmate healthcare concerns in a timely fashion utilizing credentialed clinical professionals;
- Identify serious, urgent and emergency healthcare needs and pursue the correct level of care in response to those needs;
- Document healthcare-related activities effectively and maintain adequate
- patient confidentiality;
- Review clinical costs and outcomes, seeking to achieve the best ongoing balance between cost and liability.

The “                     County Detention Center Policy and Procedure” manual has a description of the policies and procedures in order for inmates to obtain medical care.

Procedures:

Intake

Booking staff utilize an “Intake Health Screening” questionnaire designed to identify people with medical conditions that we will want to follow closely, such as diabetes, seizure disorder, asthma, hypertension, etc. These are conditions that may rapidly deteriorate without careful clinical management. We also make inquiries designed to identify people with possible suicidal/self-harming intent so that certain interventions may be pursued. Booking deputies, with the RN, does the intake health screening reviewing them upon her arrival at the jail.

If a person arriving for incarceration requires immediate medical attention, the jail must refuse to accept the person. Law enforcement must take the person to the ER for treatment. The ER physician must provide written clearance before the jail may then accept that person. In some circumstances, the booking officer may accept the person, but then call the nurse for specific instructions, such as pertaining to the continuity of insulin coverage, etc.



\_\_\_\_\_ County Detention Center  
 Medical Policies and Procedures  
 (Continued)

Procedures: (Continued)

Access To Care

Inmates fill out “healthcare request” forms that the nurse then reviews each weekday. The nurse sees the individuals and documents the encounter in their medical files. The nurse may consult the MD directly in some cases, or put the person on the schedule to see the MD if indicated. The RN may also request outside medical record copies as needed for verification of medications, continuity of care, etc.

Consultant Role

The correctional healthcare consultant provides overall program direction and guidance, consistent with the program mission. This includes such activities as:

- Helps recruit providers and negotiate contracts;
- Investigates specific medical-related incidents and litigation; frames the defense; offers remedial solutions and training;
- Helps train security staff regarding healthcare program goals and procedures;
- Advises the RN and MD in establishing the proper level of cost-effective clinical intervention, consistent with Civil Rights (8th Amendment) case law;
- Audits off-site medical service billings, examines diagnostic and procedural coding, assesses utilization levels in contrast with actual clinical need;
- Audits pharmaceuticals utilization and overall medication management;
- Develops written procedures and operational guidelines integrating the healthcare program into the overall operation;
- Provide telephone consultation regarding pending or developing medical situations

Medical Bills

*Does the jail get bids or quotes from different medical providers?*

Located in a rural area, \_\_\_\_\_ County offers a limited range of off-site medical providers to choose from. We obtained a contractual medical director from within the community through direct recruitment and negotiation. No formal bidding process was available, due to a very limited number of candidate providers. We do use the Diamond Pharmacy contract made available through the State.

\_\_\_\_\_ County Detention Center  
Medical Policies and Procedures  
(Continued)

Procedures: (Continued)

Medical Bills (Continued)

*Do you have medical personnel on staff to evaluate inmates before sending them out to receive medical care?*

A contractual RN is on duty 4 hours per weekday and is on-call for the remainder. She assesses routine medical issues and refers cases to the medical director as needed. The medical director visits the jail once per week, plus is on call (through the RN) during the interim. Off-site referrals for routine medical issues are made through the collaborative efforts of the RN and MD. If a possible emergency medical need arises when the RN is not at the jail, the deputies will call her for further instruction. She in turn may contact the MD, or advise the deputies to transport the case to the ER herself, depending on circumstances. (The RN also works at the local hospital ER.) Deputies may also transport the case directly to the ER (or call 911) without the prior telephone involvement of the RN or MD if circumstances warrant it.

*Are medical bills reviewed prior to payment?*

Yes.

*If yes, is the review performed by someone with knowledge of medical terms and costs?*

The correctional healthcare consultant audits medical bills monthly (post-payment) to assure validity of charges and to monitor clinical utilization for discussion at the monthly Quality Assurance meetings.

*Have you negotiated a fee schedule or discount with local medical providers, i.e. doctors, pharmacies, hospitals?*

The local hospital has agreed to a negotiated rate for services that mirrors the Medicaid rate structure.

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